UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934

AECOM TECHNOLOGY CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	**61-1088522**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

555 South Flower Street, Suite 3700
Los Angeles, California 90071
(Address of principal executive offices, including zip code)

(213) 593-8000
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act: **None**

Securities to be registered pursuant to Section 12(g) of the Act:

Common Stock, par value $.01 per share

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This registration statement contains statements which, to the extent that they do not recite historical fact, constitute "forward-looking statements." The words "believe," "expect," "estimate," "may," "will," "could," "plan" or "continue" and similar expressions are intended to identify forward-looking statements. Such forward-looking information involves important risks and uncertainties that could materially alter results in the future from those expressed in any forward-looking statements made by us or on our behalf. These risks and uncertainties include, but are not limited to:

- our dependence on long-term government contracts, which are subject to the government's budgetary approval process;
- the possibility that our government contracts may be terminated by the government;
- our ability to successfully manage our joint ventures;
- the risk of employee misconduct or our failure to comply with laws and regulations;
- our ability to successfully execute our mergers and acquisitions strategy, including the integration of new companies into our business;
- our ability to attract and retain key technical and management personnel;
- our ability to complete our backlog of uncompleted projects as currently projected;
- competitive pressures and trends in our industry;
- our liquidity and capital resources; and
- other factors identified throughout this registration statement.

In addition, this registration statement contains industry data related to our business and the markets in which we operate. This data includes projections that are based on a number of assumptions. If these assumptions turn out to be incorrect, actual results could differ from the projections.

We caution you that forward-looking statements are only predictions and that actual events or results may differ materially. In evaluating these statements, you should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by the forward-looking statements, including the factors that we discuss in the section entitled "Risk Factors."

ITEM 1. BUSINESS

In this registration statement, we use the terms "AECOM," "the Company," "we," "us" and "our" to refer to AECOM Technology Corporation and its consolidated subsidiaries. Unless otherwise noted, references to years are for fiscal years. Our fiscal year consists of 52 or 53 weeks, ending on the Friday closest to September 30. Our fiscal quarters end on the Friday closest to December 31, March 31, June 30 and September 30. For clarity of presentation, we refer to all fiscal years and fiscal quarters in this registration statement as ending on September 30, December 31, March 31 or June 30, regardless of the actual date.

Overview

We are a leading global provider of professional technical and management support services to government and commercial clients on all seven continents. We provide planning, consulting, architectural and engineering design, and program and construction management services for a broad range of projects including highways, airports, bridges, mass transit systems, government and commercial buildings and water and wastewater facilities. We also provide facilities management, training, logistics and other support services, primarily for agencies of the United States government. Through our network of approximately 28,000 employees in over 60 countries, we provide our services to a number of end markets, with particular strength in the transportation, facilities and environmental markets. With over 60% of our employees operating outside the United States, we believe we are well positioned to grow both in the United States and internationally. According to *Engineering News-Record's* (ENR) 2006 Design Survey, we are the largest general architectural and engineering design firm in the world, ranked by 2005 design revenue. In addition, we are ranked by ENR as the leading firm in numerous design end markets including transportation and general building.

We offer our broad range of services through our two business segments: Professional Technical Services and Management Support Services.

Professional Technical Services (PTS). Our PTS segment delivers planning, consulting, architectural and engineering design, and program and construction management services to institutional, commercial and government clients worldwide in major end markets such as transportation, facilities, environmental management and power. The transportation market includes transit and rail, highways and bridges, airports, ports and harbors. The facilities market includes governmental, institutional, commercial and industrial facilities. The environmental market includes water supply and wastewater infrastructure, water resources, and environmental management. We also provide services for projects in the mining, power and energy end markets.

For example, we are providing master planning services for the 2012 London Summer Olympic Games, program management services through a joint venture for the Second Avenue subway line in New York City and engineering and environmental management services to support global energy infrastructure development for a number of large petroleum companies. Our PTS segment contributed $2.8 billion, or 81% of our revenue, in fiscal 2006.

Management Support Services (MSS). Our MSS segment provides facilities management and maintenance, training, logistics, consulting, technical assistance and systems integration services, primarily for agencies of the U.S. government. For example, we manage more than 6,000 employees in Kuwait who provide logistics, security, communications and information technology services for the U.S. Army Central Command-Kuwait. We also provide operations and maintenance services for the U.S. Army's Fort Polk Joint Readiness Training Center in Louisiana. Our MSS segment contributed $647 million, or 19% of our revenue, in fiscal 2006.

Our Market Opportunity

According to ENR, the top 500 design firms in the United States ranked by revenue generated revenue of approximately $59.8 billion in 2005, which was an 11.8% increase over 2004. Of this $60 billion in revenue, the largest two categories were general building and transportation, representing $23 billion and $20 billion, respectively. Water and wastewater combined represented an additional $13 billion in 2005 revenues. According to ENR, based on 2005 revenue, we were the #1 design firm in transportation, #1 in general building, #2 in wastewater and #4 in water supply.

We believe that the growth opportunities for these markets are significant, both in the United States and internationally, fueled by the increasing global spending on infrastructure among other factors.

Professional Technical Services

The U.S. Department of Commerce forecasts that increases in work associated with the nonresidential building, power and highway markets will contribute to the overall value of new construction contracts awarded in the United States, which are expected to increase slightly to $1.17 trillion in 2007. The U.S. Department of Commerce projects that this growth in nonresidential construction will counter expected major declines in the value of residential construction during 2007. We are positioned to benefit from this trend in that we are focused on government, commercial and industrial projects, with no material exposure to the residential housing market.

Transportation. The transportation market is significant and growing, both domestically and internationally, and we expect this will continue in coming years. Transportation services include the design and construction management of a broad range of transportation infrastructure projects, including airports, seaports, bridges, tunnels, railway lines and highways. According to ENR, the top 500 engineering design firms earned $20.3 billion in revenue in 2005 as a result of transportation work. The U.S. Department of Commerce projected in late 2006 that the dollar value of domestic transportation construction projects would grow 11.9% during 2006 and that it will grow an additional 3% in 2007, to a value of $31 billion. The Department of Commerce also predicted that highway and street spending, which it categorizes separately from transportation, would increase 16% in 2006 and will rise another 7% in 2007 to reach $81.5 billion. Growth in domestic transportation spending is driven by such factors as the continuation of federal funding for SAFETEA-LU, a $286 billion highway funding bill. Growth is also driven by increased domestic spending on highway projects, the increased utilization of road, rail, airport and seaport facilities, combined with the obsolescence of many existing facilities. In addition, domestic growth is driven by significant increases in the use of aviation facilities. Domestic airline passenger traffic has returned to and surpassed the 65.4 million monthly travelers level achieved prior to September 2001. Healthier state budgets have also fueled infrastructure activity. California, for example, passed a $20 billion bond measure for transportation in 2006 that has the potential to increase spending in this area substantially in the coming years.

The increased momentum of public private partnerships, or PPP, has fueled alternative sources of funding for major transportation projects. These have included the sale of toll highways in Chicago and Indiana and the privatization of airports, including Chicago's Midway Airport.

We expect growth in the U.S. transportation market will also be driven by clients seeking a broader range of services from engineering and construction firms. Clients are demanding an increased focus on program and construction management and are seeking a full range of services including project design, delivery, financing and procurement. We believe this trend will provide additional revenue for these firms.

The international transportation market also presents growth opportunities. International transportation growth is driven by both the need to upgrade existing facilities and the demand for new infrastructure, particularly in emerging markets. China, for example, annually constructs approximately 4,000 kilometers of highways and reported investing $12 billion in a rural road construction project

intended to connect all Chinese cities with a population over 200,000 and 95% of rural towns by 2010. Emerging markets are also investing heavily in aviation infrastructure. According to the U.S. Embassy in China, the country will build 108 new airports between 2004 and 2009, including what will be the world's largest airport, the Beijing International Airport, that is scheduled to open in time for the Beijing Olympics and will cover more than 1 million square meters.

General building. We expect this market will exhibit significant strength in the next several years. ENR reports that $22.9 billion in revenue was earned by the top-500 design firms in 2005 from general building. General building includes the construction of commercial buildings, office complexes, schools, hotels and correctional facilities. The U.S. Department of Commerce projected in late 2006 that commercial construction spending would increase 11% in 2006 and rise another 10% during 2007 to reach $90 billion, that education construction spending would rise 7% in 2006 and rise another 5% in 2007 to reach $88.3 billion, that office construction would rise 15.1% in 2006 and rise another 11.8% in 2007 to reach $61.4 billion and that lodging construction would rise 50% in 2006 and increase an additional 14.7% in 2007 to approach $22.6 billion. Demand for commercial construction is driven by several factors, including lower commercial vacancy rates, greater investor interest in office and other commercial properties, low domestic unemployment rates, and historically low interest rates.

In the United States, public demand for general building services is also driven by increased Federal, state and local government educational spending and continuing government expenditures in other facilities such as courthouses and correctional facilities. Growth in the latter is being driven by mandatory sentencing guidelines and other judicial trends resulting in longer incarceration periods for a greater number of offenders.

Internationally, strong global economic growth is fueling the demand for facilities design and construction. We believe we are well positioned to take advantage of international demand for such services. Over the next decade, over 400 new buildings more than 50 stories tall are expected to be built around the world in regions such as the Middle East and China, according to Emporis Buildings, an international database of building information. By 2015, half of the world's new building construction is expected to take place in China. Even today, the American Forest and Paper Association estimates that construction represents about 16% of China's GDP amid a national trend toward urbanization. We are well positioned globally to take advantage of these kinds of opportunities.

Water, Wastewater & Environmental Management. There is significant global demand for water, wastewater and environmental services. This market is characterized by projects including water treatment facilities, water distribution systems, desalination plants, solid waste disposal systems, environmental impact studies, remediation of hazardous materials and pollution control. ENR reports that the water and wastewater market contributed $13.4 billion in 2005 revenue to the top-500 design firms. Growth in this area is driven by the domestic water and wastewater sectors, which we believe are growing at a rate between 8% and 10% annually. FMI Corp., a Denver-based industry management consultant, predicts that water supply construction spending will increase 9% and that sewer system spending will rise 10% in 2007.

Domestic growth in the water, wastewater and environmental markets is driven by government regulations, including the Clean Water Act and Clean Air Act, by a growing U.S. population, and by a shift of the U.S. population toward the Southeast and Southwest, where there are significant water supply challenges. In addition, a renewed focus on micro-contaminants and carcinogens has given rise to increased centralization and standardization efforts, including increased federal involvement in water quality regulation. Internationally, demand is driven by the need to repair and upgrade local water systems and increased global population and concomitant demand for water reuse and desalinization technologies. Urbanization and rapid economic growth resulting in higher standards of living in such developing countries as India and China will drive demand for water and wastewater infrastructure development in these regions. In addition, developing nations face significant environmental issues. Governments in developing regions are likely to seek to address environmental concerns as they gain the economic means to improve the quality of life of their citizens. For example, according to the World Health Organization, seven of the ten of the most polluted cities in the world are located in China.

Urbanization. While U.S. cities are relatively mature and historically have suffered from population flight to suburban and other outlying areas, that trend has reversed in recent years as "baby boomers" have returned to major urban areas. Outside the U.S., economic growth opportunities have caused an influx of people from rural to developing urban areas. In parts of Europe, government policy strongly encourages urban redevelopment. Urbanization creates significant opportunities for our PTS segment in all of our end markets as it creates increased demand in urban areas for transportation infrastructure, facilities and power systems, greater pressure on water/wastewater systems and increased environmental pollution that needs to be mitigated. It also creates demand for urban master planning and environmental assessments.

The table below highlights some of the trends in our PTS core markets and what those imply for future growth.

	Growth Drivers	
Market	**Domestic**	**International**
Transportation	· Healthy state and local budgets · $286 billion of federal funding for SAFETEA-LU from 2006-2010 · Increased utilization of aging transportation infrastructure · Introduction of public to private partnerships (PPP) to the United States	· Emerging markets creating demand for greenfield transportation infrastructure and large scale improvement projects · Global trend towards PPP and other private sector spending on infrastructure · Increased foreign direct investment
General Building	· Historically low interest rate environment driving significant spending · Demand for nonresidential building space continues to expand · Increased spending in hospital healthcare infrastructure as babyboomers age · Strong demand for nonresidential / commercial space	· Healthy global economy · Continued population pressures in developing urban areas such as China, Russia and India · Urbanization trends fostering rapid residential construction spending
Water/ Wastewater/ Environmental	· Increasing federal regulatory pressure Clean Water Act Clean Air Act	· Global population growth · Increased focus on quality and safety

Management Support Services

We believe the market for our MSS segment is growing. MSS segment services include facilities management and maintenance, training, logistics, consulting, technical assistance and systems integration services, primarily for agencies of the U.S. government. The Center for Strategic and International Studies estimated that the domestic market for the kinds of facility-related services provided by our MSS segment was $36 billion in 2004, the most recent full year for which federal procurement data were available. Our MSS work is primarily for such federal government agencies as the Departments of Defense, Energy, Justice and Homeland Security. Growth in the MSS segment will likely be driven by a continued government outsourcing trend due in part to an aging government workforce and on-going military operations in the Mideast and elsewhere as well as military force realignments. We believe these trends

will enhance the demand for outsourcing in the government services area for firms with experience in security, logistics and overseas operations.

Our Competitive Strengths

We believe we have the experience, relationships, technical expertise and personnel to lead our clients through their most complicated and critical technical undertakings while also delivering the level of consistent, quality service necessary to maintain long term relationships and secure repeat engagements.

We have leadership positions in large, growing markets

We believe the growing trend for outsourcing of professional technical and support services complements our capabilities, size and experience in providing these services and positions us to continue to strengthen our business. Based on ENR's rankings of firms by 2005 revenue, we are highly ranked in a number of key engineering and consulting services sectors, including transportation (#1), general building (#1), wastewater (#2) and water supply (#4). We also have a leadership position in many other specialty technical areas, including:

Transportation		General Building		Environmental	
	Ranking		**Ranking**		**Ranking**
Mass Transit and Rail	1	Educational Facilities	1	Wastewater Treatment	2
Airports	1	Government Offices	1	Sanitary and Storm Sewers	2
Marine and Ports	1	Correctional Facilities	1	Sewerage and Solid Waste	2
Highways	1	Hotels/Convention Center	3	Water Supply	4
Bridges	2	Commercial Offices	4	Clean Air Compliance	4

We are diversified across service lines, end markets and geographies

We perform a broad spectrum of services for our clients, from planning and design to construction and project management and logistics. In fiscal 2006, excluding the U.S. federal government, no single customer accounted for more than 10% of our total revenue. The U.S. federal government, including the Department of Defense, Department of Energy and the Department of Homeland Security, accounted for approximately 28% of our total revenue in fiscal 2006. The U.S. federal government accounted for approximately 12% of the revenue of our PTS segment and almost all of the revenue of our MSS segment for fiscal 2006. In addition, our 25 largest projects by gross profit in fiscal 2006 accounted for only 14% of our consolidated gross profit. We believe this diversification enables us to take advantage of changing business, technological and economic conditions worldwide, and allows us to better manage our business through market cycles. We further believe we are well-positioned in geographic areas with favorable growth prospects such as China/Hong Kong and the United Arab Emirates, where we are among the largest engineering design firms. This diversification has been a key factor in our historical growth and positions us for future growth.

We combine global reach with local presence

We have a global network of approximately 28,000 employees with projects in over 60 countries. We combine intimate local market knowledge and relationships with the technical expertise, size, experience and resources of one of the world's largest engineering and design services companies. We believe that our ability to share capabilities and best practices across the firm delivers significant value to our clients and enables us to win and efficiently execute projects worldwide. As of September 30, 2006, approximately 62% of our employees were located outside the United States. We operate through a number of wholly-owned subsidiaries that have the advantage of competing under several internationally known brand names in our end markets, while maintaining the recognition that they are part of AECOM, a global company.

We have strong and long-standing client relationships

We have developed strong and long-term relationships with a number of large corporations and government entities worldwide. For example, several of our operating companies have been providing services for over 30 years to clients such as the Illinois State Tollway Authority, U.S. Navy, Massachusetts Water Resources Authority and the Port Authority of New York and New Jersey. We believe that these types of long-term relationships allow us to better understand and be more responsive to our clients' needs and better manage their risks. These relationships also lead to repeat business opportunities and opportunities to expand the scope of the value-added services we provide to existing clients.

We have a successful history of executing and integrating acquisitions

We believe one of our core competencies is successfully identifying, executing and integrating acquisition opportunities. We have consummated more than 30 mergers and acquisitions since 1998 that have enabled us to expand our end markets, service offerings and geographic reach. This acquisition activity has provided us with access to new markets at lower risk and faster speed relative to our entering the markets as a new participant. We have targeted, and we will continue to target, firms that enable us to add backlog, long term client relationships and experienced executives who can provide leadership across our company. In addition, we derive our acquisition synergies through "cross selling" the capabilities of our newly acquired companies to our existing clients and our global capabilities to the clients of our newly acquired companies.

The following is a brief summary of some of our key mergers and acquisitions since 2000:

- *Metcalf and Eddy*. In April 2000, we added Metcalf and Eddy, a Massachusetts-based firm founded in 1907, which provided us with a global brand for our water and wastewater businesses.
- *Maunsell Group.* In April 2000, we added the Maunsell Group, a global engineering firm founded in 1970, which provided us with a strong presence in the engineering markets in the United Kingdom, Hong Kong/China and Australia.
- *Oscar Faber Ltd.* In October 2001, we added Oscar Faber, a U.K.-based building services, environmental and transportation planning firm founded in 1921, which we then merged with Maunsell to create Faber Maunsell, further expanding our presence in the United Kingdom.
- *UMA Group*. In September 2004, we added UMA Group, Ltd., a Canada-based engineering firm founded in 1912, which expanded our presence in the North American market.
- *ENSR Corporation*. In September 2005, we added ENSR Corporation, a Massachusetts-based global environmental management firm founded in 1968, which strengthened our position in the energy infrastructure and environmental management markets and increased the number of multi-national corporations we serve.
- *EDAW*. In December 2005, we added EDAW, Inc., a California-based global urban planning and landscape architectural firm founded in 1939, which increased our planning and design capabilities in the U.S., Europe, Middle East and Asia/Pacific.
- *Cansult Limited.* In September 2006, we added Cansult Limited, a Canada-based engineering firm founded in 1961 that operates predominantly in the Middle East. Cansult's operations, combined with our existing operations in the Middle East, make us one of the largest engineering firms in the region.

We benefit from our experienced management team and employees

We have a talented, dedicated and experienced work force, located across the globe, led by an experienced executive management team. Our Chief Executive Officer and the 10 most senior members of our operating units have an average of more than 20 years of experience with AECOM and more than 25 years in our industry. We also have a large, experienced and skilled workforce. This human capital is essential in winning the most attractive work in our industry. Our long-standing practice is to provide employee incentives, such as stock ownership, that are designed to optimize performance and to ensure our ability to attract and retain a quality work force.

Our talented workforce is essential in allowing us to obtain quality projects. In turn, our success in winning desirable and challenging projects assists us to attract and retain highly qualified people.

Our Growth Strategy

We intend to grow our business by leveraging our competitive strengths and leadership positions in our core markets while opportunistically entering new markets and geographies. Key elements of our growth strategy include:

Expand our long-standing client relationships and provide our clients with a broad range of services

We have long-standing relationships with a number of large corporations, public and private institutions and governmental agencies worldwide. We will continue to focus on client satisfaction along with opportunities to sell a greater range of services to clients and deliver full-service solutions for their needs. For example, as we have grown our environmental business, we have provided environmental services for transportation and other infrastructure projects in which such services have in the past been subcontracted to third parties.

By integrating and providing a broad range of services, we believe we deliver maximum value to our clients at competitive costs. Also, by coordinating and consolidating our knowledge base, we believe we have the ability to export our leading edge technical skills to any region in the world in which our clients may need them. This advances our strategy of providing a full-service solution for our clients' needs.

Capitalize on growth opportunities in our core markets

We intend to leverage our leading positions in the transportation, facilities and environmental markets to continue to grow our market share. With our track record and our global resources, we believe we are well positioned to win projects in these markets. We believe that the need for infrastructure upgrades, environmental management and increased government spending and outsourcing of support services, among other things, will result in continued growth opportunities in our core markets.

Continue to pursue our merger and acquisition strategy

We intend to continue to attract other successful companies whose growth can be enhanced by joining us. This approach has served us well as we have strengthened and diversified our leadership positions both geographically, technically and across end markets. We believe that the trend towards consolidation in our industry will continue to produce attractive candidates that align with our merger and acquisition strategy. For example, we significantly strengthened our presence in the fast-growing market in the United Arab Emirates with the addition of Cansult Limited in September 2006.

Strengthen and support human capital

Our experienced employees and management are our most valued resources. Attracting and retaining key personnel has been and will remain critical to our success. We will continue to focus on providing our

personnel with training and other personal and professional growth opportunities, performance-based incentives, opportunities for stock ownership and other competitive benefits in order to strengthen and support our human capital base. Over the past five years, we have substantially increased our employee base. This increase comes from organic growth as well as growth from mergers and acquisitions. Our employee population has grown from approximately 12,700 employees as of September 30, 2001 to approximately 28,000 as of December 31, 2006. In 2006, we expanded our firm-wide employee engagement program to put increased focus and resources on this important strategic area. The program includes elements designed to foster professional and career development and advance leadership development, promote succession planning and firmly link employee engagement with our business objectives. We believe that our employee programs align the interests of our personnel with those of our clients and stockholders.

Our Corporate History

We were formed in 1980 as Ashland Technology Corporation, a Delaware corporation and a wholly owned subsidiary of Ashland Inc., an oil and gas refining and distribution company. Many of the companies that comprise AECOM have operating histories going back more than 50 years. Since becoming independent of Ashland Inc. in 1990, we have grown by a combination of organic growth and strategic mergers and acquisitions from approximately 3,300 employees and $363 million in revenue in fiscal 1991, the first full fiscal year of operations, to approximately 28,000 employees and $3.4 billion in revenues for the fiscal 2006. We provide our services across the world using internationally and locally known brand names where we believe strategically appropriate.

Our Business Segments

The following table sets forth the revenues attributable to our business segments for the periods indicated(1):

	Year Ended September 30,			Year Ended December 31,	
	2004	2005	2006	2005	2006
	(in thousands)			(in thousands)	
Professional Technical Services (PTS)	$ 1,777,718	$ 2,082,618	$ 2,772,833	$ 612,264	$ 753,545
Management Support Services (MSS)	232,143	309,053	647,188	134,479	184,680
Total	$ 2,009,861	$ 2,391,671	$ 3,420,021	$ 746,743	$ 938,225

(1) For a reconciliation to the consolidated statements of income, see note 20 to the notes to our consolidated financial statements and note 6 to our condensed consolidated financial statements contained elsewhere in this registration statement.

Our Professional Technical Services Segment (PTS)

Our PTS segment is comprised of a broad array of services, generally provided on a fee-for-service basis. These services include planning, design, consulting, program management and construction management for industrial, commercial, institutional and government clients worldwide. For each of these services, our technical expertise includes civil, structural, process, mechanical, geotechnical systems and electrical engineering, architecture, landscape and interior design, urban and regional planning, project economics, and environmental, health and safety work.

With our technical and management expertise, we are able to provide our clients with the full spectrum of services they may require. For example, within our environmental management service offerings, we provide regulatory compliance planning and management, environmental modeling, environmental impact assessment and environmental permitting for major capital/infrastructure projects. In addition, we provide specialized services in areas such as environmental toxicology, health and safety risk assessment, sanitary engineering, air quality analysis, water resources protection and development, remediation consulting, brownfield reclamation and sustainable land use development programs.

Our services may be sequenced over multiple phases. For example, in the area of program management and construction management services, these services may begin with a small consulting or planning contract, and may later develop into an overall management role for the project or a series of projects, which we refer to as a program. Program and construction management contracts typically employ a staff of 10 to more than 100 and, in many cases, operate as an outsourcing arrangement with our staff located at the project site. For example, since 1990, we have been managing the renovation work at the Pentagon for the U.S. Department of Defense, and we currently have approximately 100 staff members located on-site. Another example of our program and construction management services would be our services related to the development of educational facilities for K-12 school districts and/or community colleges. We are performing these types of assignments throughout the U.S., including the cities of Dallas, Los Angeles and Houston.

We provide the services in our PTS segment both directly and through joint venture or similar partner arrangements to a broad range of diverse end markets, including:

Transportation. We serve several key transportation sectors, including:

· *Transit and Rail.* Projects include light rail, heavy rail (including high speed, commuter and freight) and multimodal transit projects. For example, we are providing engineering design services for the new World Trade Center Terminal for PATH and the Second Avenue Subway (8.5-mile rail route and 16 stations) in New York City, and the Ma On Shan Rail (7-mile elevated railway) in Hong Kong.

· *Marine, Ports and Harbors*. Projects include wharf facilities and container port facilities for private and public port operators. For example, we are providing marine planning and engineering services for container facilities in Hong Kong, the Ports of Los Angeles, Long Beach, New York and New Jersey and waterfront transshipment facilities for oil and liquid natural gas.

· *Highways, Bridges and Tunnels.* Projects include interstate, primary and secondary urban and rural highway systems and bridge projects. For example, we are working on the SH-130 Toll Road (49-mile “greenfield” highway project) in Austin, Texas, the Sydney Orbital Bypass (39 kilometer highway) in Sydney, Australia and the Sutong cable-stayed bridge (1088 meter span) crossing the Yangtze River in China.

· *Aviation.* Projects include landside terminal and airside facilities and runways as well as taxiways. For example, we have provided program management services to a number of major U.S. airports, including O’Hare International in Chicago; Los Angeles International; John F. Kennedy and La Guardia in New York City; Reagan National and Dulles International in Washington, D.C. and Miami International. We also have provided services to airports in Hong Kong, London, Cyprus and Qatar.

Facilities.

· *Government.* Projects include our emergency response services for the Department of Homeland Security, including the Federal Emergency Management Agency and engineering and program management services for agencies of the Department of Defense. We also provide architectural and engineering services for several national laboratories, including the laboratories at Hanford, Washington and Los Alamos, New Mexico.

· *Industrial*. Projects include industrial facilities for a variety of niche end markets including manufacturing, distribution, aviation, aerospace, communications, media, pharmaceuticals,

renewable energy, chemical, and food and beverage facilities. For example, we have provided engineering and construction support services to Pfizer Inc. at its Portage, Michigan manufacturing facility.

· *Urban Master Planning/Design*. Projects include design services, landscape architecture, general policy consulting and environmental planning projects for a variety of government, institutional and private sector clients. For example, we have provided planning and consulting services for the Olympic Games sites in Atlanta, Sydney, Beijing, Salt Lake City and London. We are providing strategic planning and master planning services for new cities and major mixed use developments in China, Southeast Asia, the Middle East, the U.K. and the U.S.

· *Commercial and Leisure Facilities.* Projects include corporate headquarters, high-rise office towers, historic buildings, leisure and entertainment facilities and corporate campuses. For example, we provided electronic security programming and installation services for the renovation of Soldier Field in Chicago, construction management for the renovation of Dodger Stadium in Los Angeles, and building services, engineering, architectural lighting, advanced modeling, infrastructure and utilities engineering and advanced security for the headquarters of the British Broadcasting Company in London.

· *Institutional.* Projects include engineering services for college and university campuses, including the new Kennedy-King College in Chicago, Illinois. We also have undertaken assignments for Oxford University in the U.K., Pomona College and Loyola Marymount University in California, and various private hospitals throughout the U.S.

Environmental

· *Water and Wastewater.* Projects include treatment facilities as well as supply, distribution and collection systems, stormwater management, desalinization, and other water re-use technologies for metropolitan governments. We have provided services to the Metropolitan Water Reclamation District of Greater Chicago’s Calumet and Stickney wastewater treatment plants, two of the largest such plants in the world. Currently we are working with New York City on the Bowery Bay facility reconstruction, and have had a major role in Hong Kong’s Harbor Area Treatment Scheme for Victoria Harbor.

· *Environmental Management.* Projects include remediation, waste handling, testing and monitoring of environmental conditions and environmental construction management for private sector clients. For example, we have provided permitting services for pipeline projects for major energy companies and environmental remediation, restoration of damaged wetlands, and services associated with reduction of greenhouse gas emissions for large multinational corporations.

· *Water Resources.* Projects include regional-scale floodplain mapping and analysis for public agencies, along with the analysis and development of protected groundwater resources for companies in the bottled water industry.

Our Management Support Services Segment (MSS)

Through our MSS segment, we offer infrastructure management and maintenance, training, logistics, consulting, technical assistance and systems integration services, primarily for agencies of the United States government.

We provide a wide array of services in our MSS segment, both directly and through joint venture or similar partner arrangements, including:

Installation, Operations and Maintenance. Projects include Department of Defense and Department of Energy installations where we provide comprehensive services for the operation and maintenance of

complex government installations, including military bases, test ranges and equipment. We have undertaken assignments in this category in the Middle East and the U.S. We also provide services for the operations and maintenance of the Department of Energy's Nevada Test Site.

Logistics and Field Services. Projects include logistics support services for a number of Department of Defense agencies and defense prime contractors focused on developing and managing integrated supply and distribution networks. We oversee warehousing, packaging, delivery and traffic management for the distribution of government equipment and materials.

Training. Projects include training applications in live, virtual and simulation training environments. We have conducted training at the U.S. Army's Center for Security Training in Maryland for law enforcement and military personnel. We have also supported the training of international police officers and peacekeepers for deployment in various locations around the world in the areas of maintaining electronics and communications equipment.

Systems Support. Projects cover a diverse set of operational and support systems for the maintenance, operation and modernization of Department of Defense and Department of Energy installations. Our services in this area range from information technology and communications to life cycle optimization and engineering, including environmental management services. Through our joint venture operations at the Nevada Test Site and the Combat Support Services operation in Kuwait, our teams are responsible for facility and infrastructure support for critical missions of the U.S. government in its nonproliferation efforts, emergency response readiness, and force support and sustainment. Enterprise network operations and information systems support, including remote location engineering and operation in classified environments, are also areas of specialized services we provide.

Technical Personnel Placement. Projects include the placement of personnel in key functional areas of military and other government agencies, as these entities continue to outsource critical services to commercial entities. We provide systems, processes and personnel in support of the Department of Justice's management of forfeited assets recovered by law enforcement agencies. We also support the Department of State in its enforcement programs by recruiting, training and supporting police officers for international and homeland security missions.

Field Services. Projects include maintaining, modifying and overhauling ground vehicles, armored carriers and associated support equipment both within and outside of the United States under contracts with the Department of Defense. We also maintain and repair telecommunications systems for military and civilian entities. The ability to deploy highly mobile field response teams to locations across the world to supplement mission support and equipment readiness is a critical requirement in this service area.

Our Clients

Our clients consist primarily of national governments, state, regional and local governments, public and private institutions and major corporations. The following table sets forth our total revenues attributable to these categories of clients for each of the periods indicated:

	Year Ended September 30,					
	2004	%	2005	%	2006	%
	(dollars in thousands)					
U.S. Federal Government						
PTS	$ 153,302	8%	$ 215,951	9%	319,675	9%
MSS	232,143	11%	309,052	13%	641,764	19%
U.S. State and Local Governments	801,680	40%	788,463	33%	848,530	25%
Non-U.S. Governments	333,083	17%	475,991	20%	355,835	10%
Subtotal Governments	1,520,208	76%	1,789,457	75%	2,165,804	63%
Private Entities (worldwide)	491,767	24%	605,883	25%	1,255,688	37%
Total	$ 2,011,975	100%	$ 2,395,340	100%	$ 3,421,492	100%

Other than the U.S. government, no single client accounted for 10% or more of our revenues in any of the past five fiscal years. The work attributed to the U.S. government for fiscal 2006 includes our work for the Department of Defense, Department of Energy and the Department of Homeland Security. The diversity of our client base is illustrated by the fact that for fiscal 2006, our 25 largest projects, as measured by gross profit, accounted for less than 15% of our consolidated gross profit.

Contracts

The price provisions of the contracts we undertake can be grouped into two broad categories: cost-reimbursable contracts and fixed-price contracts. The majority of our contracts fall under the relatively lower risk category of cost-reimbursable contracts.

Cost-Reimbursable Contracts

Cost-reimbursable contracts consist of two similar contract types, cost-plus and time and material.

Cost Plus. Cost plus is the predominant contracting method used by U.S. federal, state and local governments. These contracts provide for reimbursement of actual costs and overhead incurred by us, plus a predetermined fee. Under some cost-plus contracts, our fee may be based on quality, schedule and other performance factors.

Time and Material. Time and material is common for smaller scale engineering and consulting services. Under these types of contracts, we negotiate hourly billing rates and charge our clients based upon actual hours expended on a project; unlike cost-plus, however, there is no predetermined fee. In addition, any direct project expenditures are passed through to the client and are reimbursed. These contracts may have a fixed price element in the form of not-to-exceed or guaranteed maximum price provisions.

For fiscal 2006, cost-reimbursable contracts represented approximately 68% of our total revenues, with cost-plus contracts constituting approximately 50% and time and material contracts constituting approximately 18% of our total revenues.

Fixed-Price Contracts

Fixed-price contracts are the predominant contracting method outside of the United States. There are typically two types of fixed-price contracts. The first and more common type, lump-sum, involves performing all of the work under the contract for a specified lump-sum fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. The second type, fixed-unit price, involves performing an estimated number of units of work at an agreed price per unit, with the total payment under the contract determined by the actual number of units performed.

Many of our lump-sum contracts are negotiated and arise in the design of projects with a specified scope. Lump-sum contracts often arise in the area of construction management. Construction management services can be in the form of general administrative oversight (in which we do not assume responsibility for construction means and methods and is on a cost-reimbursable basis), or on a fixed price, "at risk" basis. We perform a limited amount of construction management "at risk." Under construction management at risk, we are typically responsible for the design of the facility with the contract price negotiated after we have secured specific bids from various subcontractors and added a contingency and fee. This process is often referred to as "design-build."

Some of our fixed-price contracts require us to provide performance bonds or parent company guarantees to assure our clients that their project will be completed in accordance with the terms of our contracts. In such cases, we typically require our primary subcontractors to provide similar bonds and guarantees or be adequately insured, and we pass the terms and conditions set forth in our agreement to our subcontractors. We typically mitigate the risks of fixed-price contracts by contracting to complete the projects based on our design as opposed to a third party's design, by not self-performing the construction, by not guaranteeing new or untested processes or technologies and by working only with experienced subcontractors with sufficient bonding capacity. When public agencies seek a design-build approach for major infrastructure projects, we may act as a fixed-price design subcontractor to the general construction contractor and do not assume overall project or construction risk.

For fiscal 2006, fixed price contracts represented approximately 32% of our total revenue. Of this amount, less than 10% of our contracts have exposure to construction cost overruns. Of the remaining approximately 22%, there may be risks associated with our professional fees if we not able to perform our professional services for the amount of the fixed fee. However, we attempt to mitigate these risks as described above.

Joint Ventures

Some of our larger contracts may operate under joint ventures or other arrangements under which we team with other reputable companies, typically companies with which we have worked with for many years. This is often done where the scale of the project dictates such an arrangement or when we want to strengthen either our market position or our technical skills.

Backlog

At December 31, 2006, our gross revenue backlog was approximately $2.9 billion, an increase of $0.4 billion, or 15.0%, from $2.5 billion at December 31, 2005. Of this $2.9 billion, we estimate that approximately $2.0 billion will be completed by December 31, 2007. Approximately $2.5 billion of our total backlog at December 31, 2006 is attributable to our PTS segment, while the remaining $0.4 billion is attributable to our MSS segment. No assurance can be given that we will ultimately realize our full backlog.

Most of our government contracts are multi-year contracts for which funding is appropriated on an annual basis. In the case of these government contracts, our backlog includes only those amounts that have

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been funded and authorized and therefore does not reflect amounts we may receive over the term of the contracts. In the case of non-government contracts, our backlog includes future revenue at contract rates, excluding contract renewals or extensions that are at the discretion of the client. For contracts with a not-to-exceed maximum amount, we include revenue from such contracts in backlog to the extent of the remaining estimated amount. We calculate backlog without regard to possible project reductions or expansions or potential cancellations until such changes or cancellations occur.

Backlog is expressed in terms of gross revenue and therefore may include significant estimated amounts of third party, or pass-through costs to subcontractors and other parties. Moreover, our backlog for the period beyond 12 months may be subject to variations from year to year as existing contracts are completed, delayed or renewed or new contracts are awarded, delayed or cancelled. As a result, we believe that year-to-year comparisons of the portion of backlog expected to be performed more than one year in the future are difficult to interpret and not necessarily indicative of future revenues or profitability. Because backlog is not a defined accounting term, our computation of backlog may not necessarily be comparable to that of our peers.

Competition

The professional technical and management support services markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. Certain of these competitors have greater financial and other resources than we do. Others are smaller and more specialized, and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. The degree and type of competition we face is also influenced by the type and scope of a particular project. Our clients make competitive determinations based upon experience, reputation and ability to provide the relevant services in a timely, safe and cost-efficient manner.

Seasonality

The fourth quarter of our fiscal year (July 1 to September 30) is typically our strongest quarter. The U.S. federal government tends to authorize more work during the period preceding the end of its fiscal year, September 30. In addition, many U.S. state governments with fiscal years ending on June 30 tend to accelerate spending during the fiscal first quarter when new funding budgets become available. Within the U.S., as well as other parts of the world, we generally benefit from milder weather conditions in our fiscal fourth quarter, which allows for more productivity from our field inspection and other on-site civil services. Our construction and project management services also typically expand during the high construction season of the summer months.

Insurance and Risk Management

We maintain insurance covering professional liability and claims involving bodily injury and property damage. We consider our present limits of coverage, deductibles, and reserves to be adequate. Wherever possible, we endeavor to eliminate or reduce the risk of loss on a project through the use of quality assurance/control, risk management, workplace safety and similar methods. A majority of our operating subsidiaries are quality certified under ISO 9001:2000 or an equivalent standard, and we plan to continue to obtain certification where applicable. ISO 9001:2000 refers to international quality standards developed by the International Organization for Standardization, or ISO.

Risk management is an integral part of our project pricing for fixed price contracts and our project execution process. We have a risk management group that reviews and oversees the risk profile of our operations. This group also participates in evaluating risk through internal risk analyses in which our

corporate management reviews higher-risk projects, contracts or other business decisions that require corporate approval.

Regulation

We are regulated in a number of fields in which we operate. In the United States, we deal with numerous U.S. government agencies and entities, including branches of the U.S. military, the Department of Defense, the Department of Energy, intelligence agencies and the Nuclear Regulatory Commission. When working with these and other U.S. government agencies and entities, we must comply with laws and regulations relating to the formation, administration and performance of contracts. These laws and regulations, among other things:

- require certification and disclosure of all cost or pricing data in connection with various contract negotiations;
- impose procurement regulations that define allowable and unallowable costs and otherwise govern our right to reimbursement under various cost-based U.S. government contracts; and
- restrict the use and dissemination of information classified for national security purposes and the exportation of certain products and technical data.

Internationally, we are subject to various government laws and regulations (including the U.S. Foreign Corrupt Practices Act and similar non-U.S. laws and regulations), local government regulations and procurement policies and practices and varying currency, political and economic risks.

To help ensure compliance with these laws and regulations, all of our employees are required to complete tailored ethics and other compliance training relevant to their position and our operations.

Personnel

Our principal asset is our employees. A large percentage of our employees have technical and professional backgrounds and bachelor and advanced degrees. We believe that we attract and retain talented employees by offering them the opportunity to work on highly visible and technically challenging projects in a stable work environment. The tables below identify our personnel by segment and geographic region.

Personnel by Segment

	As of September 30,			As of December 31,
	2004	2005	2006	2006
Professional Technical Services	13,000	16,300	19,000	19,400
Management Support Services	4,700	5,700	8,300	9,100
Total	17,700	22,000	27,300	28,500

Personnel by Geographic Region

	As of September 30,			As of December 31,
	2004	2005	2006	2006
Americas	8,500	10,100	10,400	10,500
Europe	1,900	2,700	3,100	3,000
Middle East	3,600	5,200	8,800	9,700
Asia/Pacific	3,700	4,000	5,000	5,300
Total	17,700	22,000	27,300	28,500

Personnel by Segment and Geographic Region

	As of September 30, 2006			As of December 31, 2006	
	PTS	MSS	Total	PTS	MSS
Americas	9,600	800	10,400	9,700	800
Europe	3,100	—	3,100	3,000	—
Middle East	1,300	7,500	8,800	1,400	8,300

Asia/Pacific	5,000	—	5,000	5,300	—
Total	19,000	8,300	27,300	19,400	9,100

We have a number of personnel with "Top Secret" or "Q" security clearances. Some of our contracts with the U.S. government relate to projects that have elements that are classified for national security reasons. Although most of our contracts are not themselves classified, persons with high security clearances are often required to perform portions of the contracts.

A portion of our employees are employed on a project by project basis to meet our contractual obligations, generally in connection with government projects in our MSS segment. Approximately 200 of our employees are covered by collective bargaining agreements. We believe our employee relations are good.

Geographic Information

For geographic information, please refer to footnote 20 of our consolidated financial statements found elsewhere in this registration statement.

Available Information

We have filed with the Securities and Exchange Commission (SEC) this registration statement on Form 10 under the Securities Exchange Act of 1934. A copy of this registration statement, the exhibits and schedules hereto and any other document we file with the SEC may be inspected without charge at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549 and copies of all or any part of the registration statement may be obtained from this office upon the payment of the fees prescribed by the SEC. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our filings with the SEC are available to the public from the SEC's website at www.sec.gov.

Copies of the information identified above may be obtained without charge from us by writing to AECOM Technology Corporation, 555 South Flower Street, Suite 3700, Los Angeles, California 90071, Attention: Corporate Secretary. Our telephone number at that address is (213) 593-8000 and our website address is www.aecom.com. The content of our website is not part of this registration statement.

ITEM 1A. RISK FACTORS

Risks Relating to Our Business and Industry

We depend on long-term government contracts, some of which are only funded on an annual basis. If appropriations for funding are not made in subsequent years of a multiple-year contract, we may not be able to realize all of our anticipated revenues and profits from that project.

A substantial majority of our revenues are derived from contracts with agencies and departments of national, state and local governments. During fiscal 2004, 2005 and 2006, approximately 76%, 75% and 63%, respectively, of our revenues were derived from contracts with government entities.

Most government contracts are subject to the government's budgetary approval process. Legislatures typically appropriate funds for a given program on a year-by-year basis, even though contract performance may take more than one year. As a result, at the beginning of a program, the related contract is only partially funded, and additional funding is normally committed only as appropriations are made in each subsequent fiscal year. These appropriations, and the timing of payment of appropriated amounts, may be influenced by, among other things, the state of the economy, competing priorities for appropriation, changes in administration or control of legislatures and the timing and amount of tax receipts and the overall level of government expenditures. If appropriations are not made in subsequent years on our government contracts, then we will not realize all of our potential revenue and profit from that contract.

For instance, a significant portion of historical funding for state and local transportation projects has come from the U.S. federal government through its "SAFETEA-LU" infrastructure funding program and predecessor programs. This $286 billion program covers federal fiscal years 2004-2009. Approximately 79% of the SAFETEA-LU funding is for highway programs, 18.5% is for transit programs and 2.5% is for other programs such as motor carrier safety, national highway traffic safety and research. A key uncertainty in the outlook for federal transportation funding in the U.S. is the future viability of the Highway Trust Fund. The Highway Account within the Highway Trust Fund could have a negative balance as soon as 2009, based on the Department of Treasury projections of receipts and Department of Transportation projections of outlays. This raises concerns about whether funding for federal highway programs authorized by SAFETEA-LU will be met in future years.

Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenues.

Most government contracts maybe modified, curtailed or terminated by the government either at its convenience or upon the default of the contractor. If the government terminates a contract at its convenience, then we typically are able to recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all of our potential revenues and profits from that contract. If the government terminates the contract due to our default, we could be liable for excess costs incurred by the government in obtaining services from another source.

A delay in the completion of the budget process of the U.S. government could delay procurement of our services and have an adverse effect on our future revenues.

In years when the U.S. government does not complete its budget process before the end of its fiscal year on September 30, government operations are typically funded pursuant to a "continuing resolution" that authorizes agencies of the U.S. government to continue to operate, but does not authorize new spending initiatives. When the U.S. government operates under a continuing resolution, government agencies may delay the procurement of services, which could reduce our future revenues.

Our contracts with governmental agencies are subject to audit, which could result in adjustments to reimbursable contract costs or, if we are charged with wrongdoing, possible temporary or permanent suspension from participating in government programs.

Our books and records are subject to audit by the various governmental agencies we serve and their representatives. These audits can result in adjustments to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies. In addition, if one of our subsidiaries is charged with wrongdoing as a result of an audit, that subsidiary, and possibly our company as a whole, could be temporarily suspended or could be prohibited from bidding on and receiving future government contracts for a period of time. Furthermore, as a government contractor, we are subject to an increased risk of investigations, criminal prosecution, civil fraud, whistleblower lawsuits and other legal actions and liabilities to which purely private sector companies are not, the results of which could harm our business.

Our business and operating results could be adversely affected by losses under fixed-price contracts.

Fixed-price contracts require us to either perform all work under the contract for a specified lump-sum or to perform an estimated number of units of work at an agreed price per unit, with the total payment determined by the actual number of units performed. In fiscal 2006, approximately one-third of our revenues were recognized under fixed-price contracts. Fixed-price contracts expose us to a number of risks not inherent in cost-plus and time and material contracts, including underestimation of costs, ambiguities in specifications, unforeseen costs or difficulties, problems with new technologies, delays beyond our control, failures of subcontractors to perform and economic or other changes that may occur during the contract period. Losses under fixed-price construction contracts could be substantial and harm our results of operations.

We conduct a portion of our operations through joint venture entities, over which we may have limited control.

Approximately 24% of our fiscal 2006 revenue was derived from our operations through joint ventures or similar partner arrangements, where control may be shared with unaffiliated third parties. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We also cannot control the actions of our joint venture partners, and we typically have joint and several liability with our joint venture partners under the applicable contracts for joint venture projects. These factors could potentially harm the business and operations of a joint venture and, in turn, our business and operations.

Operating through joint ventures in which we are not the primary beneficiary, results in us having limited control over many decisions made with respect to projects and internal controls relating to projects. Approximately 7% of our fiscal 2006 revenue was derived from our unconsolidated joint ventures where we do not have control of the entities. These joint ventures may not be subject to the same requirements regarding internal controls and internal control reporting that we follow. As a result, internal control problems may arise with respect to the joint ventures, which could have a material adverse effect on our financial condition and results of operation.

Misconduct by our employees or consultants or our failure to comply with laws or regulations applicable to our business could cause us to lose customers or lose our ability to contract with government agencies.

As a government contractor, misconduct, fraud or other improper activities by our employees or consultants failure to comply with laws or regulations could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with federal procurement regulations, regulations regarding the protection of classified information, legislation regarding the pricing

of labor and other costs in government contracts, regulations on lobbying or similar activities, and any other applicable laws or regulations. Our failure to comply with applicable laws or regulations or misconduct by any of our employees or consultants could subject us to fines and penalties, loss of security clearance, cancellation of contracts and suspension or debarment from contracting with government agencies, any of which may adversely affect our business.

Our defined benefit plans currently have significant deficits that could grow in the future and cause us to incur additional costs.

We have defined benefit pension plans for employees in the United States, United Kingdom and Australia. At September 30, 2006, our defined benefit pension plans with benefit obligations in excess of plan assets had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of $117.2 million. At September 30, 2006, the excess of accumulated benefit obligations over the fair value of plan assets was $84.8 million. In the future, our pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors. If we are forced or elect to make up all or a portion of the deficit for unfunded benefit plans, our profits could be materially and adversely affected.

Our operations worldwide expose us to legal, political and economic risks in different countries as well as currency exchange rate fluctuations that could harm our business and financial results.

During fiscal 2006, revenues attributable to our services provided outside of the United States were approximately 47% of our total revenue. Approximately 27% of our total fiscal 2006 revenue was contracted in non-U.S. dollar denominations. We expect the percentage of revenues attributable to our non-U.S. operations to increase further as a result of our strategic focus in areas such as Eastern Europe, China and the Middle East. There are risks inherent in doing business internationally, including:

- imposition of governmental controls and changes in laws, regulations or policies;
- political and economic instability;
- changes in U.S. and other national government trade policies affecting the markets for our services;
- changes in regulatory practices, tariffs and taxes;
- potential non-compliance with a wide variety of laws and regulations, including the U.S. Foreign Corrupt Practice Act and similar non-U.S. laws and regulations; and
- currency exchange rate fluctuations, devaluations and other conversion restrictions.

Any of these factors could have a material adverse effect on our business, results of operations or financial condition.

We work in international locations where there are high security risks, which could result in harm to our employees and contractors or material costs to us.

Some of our services are performed in high-risk locations, such as Iraq and Afghanistan, where the country or location is suffering from political, social or economic problems, or war or civil unrest. In those locations where we have employees or operations, we may incur material costs to maintain the safety of our personnel. Despite these precautions, the safety of our personnel in these locations may continue to be at risk, and we may suffer the loss of key employees and contractors, which could harm our business.

Failure to successfully execute our merger and acquisition strategy may inhibit our growth.

We have grown in part as a result of our mergers and acquisitions over the last several years, and we expect continued growth in the form of additional acquisitions and expansion into new markets. We cannot assure you that suitable mergers and acquisitions or investment opportunities will continue to be identified or that any of these transactions can be consummated on favorable terms or at all. Any future mergers and acquisitions will involve various inherent risks, such as:

- our ability to accurately assess the value, strengths, weaknesses, liabilities and potential profitability of acquisition candidates;
- the potential loss of key personnel of an acquired business;
- increased burdens on our staff and on our administrative, internal control and operating systems, which may hinder our legal and regulatory compliance activities;
- post-acquisition integration challenges; and
- post-acquisition deterioration in an acquired business that could result in goodwill impairment charges.

Furthermore, during the mergers and acquisitions process and thereafter, our management may need to assume significant mergers and acquisitions related responsibilities, which may cause them to divert their attention from our existing operations. If our management is unable to successfully integrate acquired companies or implement our growth strategy, our operating results could be harmed. Moreover, we cannot assure you that we will continue to successfully expand or that growth or expansion will result in profitability.

Our ability to grow and to compete in our industry will be harmed if we do not retain the continued services of our key technical and management personnel and identify, hire and retain additional qualified personnel.

There is strong competition for qualified technical and management personnel in the sectors in which we compete. We may not be able to continue to attract and retain qualified technical and management personnel, such as engineers, architects and project managers, who are necessary for the development of our business or to replace qualified personnel. Our planned growth may place increased demands on our resources and likely require the addition of technical and management personnel and the development of additional expertise by existing personnel. Also, some of our personnel hold security clearances required to obtain government projects; if we were to lose some or all of these personnel, they would be difficult to replace. Loss of the services of, or failure to recruit, key technical and management personnel could limit our ability to complete existing projects successfully and to compete for new projects.

Additionally, in the past, we have promoted our employee ownership culture as a competitive advantage in recruiting and retaining employees. Although we intend to retain the essential elements of an employee ownership culture and do not intend to change our core values and operating philosophy, if our employees or recruits perceive that becoming a publicly-traded company will negatively impact our company culture, our ability to recruit and retain employees may be adversely impacted.

Our revenues and growth prospects may be harmed if we or our employees are unable to obtain the security clearances or other qualifications we and they need to perform services for our customers.

A number of government programs require contractors to have security clearances. Depending on the level of required clearance, security clearances can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain necessary security clearances, we may not be able to win new business, and our existing customers could terminate their contracts with us or decide not to renew them.

To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue anticipated from the contract.

Our industry is highly competitive and we may be unable to compete effectively, which could result in reduced revenue, profitability and market share.

We are engaged in a highly competitive business. The extent of competition varies with the types of services provided and the locations of the projects. Generally, we compete on the bases of technical and management capability, personnel qualifications and availability, geographic presence, experience and price. Increased competition may result in our inability to win bids for future projects and loss of revenue, profitability and market share.

Our services expose us to significant risks of liability and our insurance policies may not provide adequate coverage.

Our services involve significant risks of professional and other liabilities that may substantially exceed the fees that we derive from our services. In addition, we sometimes contractually assume liability under indemnification agreements. We cannot predict the magnitude of potential liabilities from the operation of our business.

Our professional liability policies cover only claims made during the term of the policy. Additionally, our insurance policies may not protect us against potential liability due to various exclusions in the policies and self-insured retention amounts. Partially or completely uninsured claims, if successful and of significant magnitude, could have a material adverse affect on our business.

Our backlog of uncompleted projects under contract is subject to unexpected adjustments and cancellations and thus, may not accurately reflect future revenues and profits.

At December 31, 2006, our backlog of uncompleted projects under contract was approximately $2.9 billion. We cannot guarantee that the revenues attributed to uncompleted projects under contract will be realized or, if realized, will result in profits. Many projects may remain in our backlog for an extended period of time because of the size or long-term nature of the contract. In addition, from time to time projects are delayed, scaled back or cancelled. These types of backlog reductions adversely affect the revenues and profits that we ultimately receive from contracts reflected in our backlog.

We have submitted claims to clients for work we performed beyond the scope of some of our contracts. If these clients do not approve these claims, our results of operations could be adversely impacted.

We typically have pending claims submitted under some of our contracts for payment of work performed beyond the initial contractual requirements for which we have already recorded revenues. In general, we cannot guarantee that such claims will be approved in whole, in part or at all. If these claims are not approved, our revenues may be reduced in future periods.

In conducting our business, we depend on other contractors and subcontractors. If these parties fail to satisfy their obligations to us or other parties, or if we are unable to maintain these relationships, our revenues, profitability and growth prospects could be adversely affected.

We depend on contractors and subcontractors in conducting our business. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a subcontract. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed-upon supplies and/or perform the agreed-upon services, our ability to fulfill our obligations as a prime contractor may be jeopardized.

We also rely on relationships with other contractors when we act as their subcontractor or joint venture partner. Our future revenues and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract.

Systems and information technology interruption could adversely impact our ability to operate.

We rely heavily on computer, information and communications technology and related systems in order to properly operate. From time to time, we experience occasional system interruptions and delays. If we are unable to continually add software and hardware, effectively upgrade our systems and network infrastructure and take other steps to improve the efficiency of and protect our systems, systems operation could be interrupted or delayed. In addition, our computer and communications systems and operations could be damaged or interrupted by natural disasters, telecommunications failures, acts of war or terrorism, computer viruses, physical or electronic security breaches and similar events or disruptions. Any of these or other events could cause system interruption, delays and loss of critical data, could delay or prevent operations, and could adversely affect our operating results.

We could incur increased costs as a result of being a U.S. public reporting company.

As a public reporting company with securities registered under the Securities Exchange Act of 1934, we could incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002, as well as rules promulgated by the U.S. Securities and Exchange Commission thereunder, require us to adopt corporate governance practices applicable to U.S. public companies. We expect that these rules and regulations may increase our legal and financial compliance costs.

Risks Relating to Our Common Stock

There has been no prior public market for our shares and an active market may not develop or be maintained, which could limit your ability to sell shares of our common stock.

There has not been a public market for our shares of common stock. Although we are applying for listing on the New York Stock Exchange, an active public market for our shares may not develop or be sustained.

Our bylaws contain restrictions on the transfer of our common stock.

A substantial portion of our common stock is held by our employees, and our bylaws contain restrictions on the transfer of our common stock. In general, holders of our common stock may not transfer, assign, contribute, gift or otherwise dispose of any of the shares except to us upon the holder's termination of employment with us, and as part of an annual liquidity election, which is subject to our determination that we have sufficient liquidity to undertake the repurchases. Further, our bylaws provide for certain exceptions for transfer of our common stock, including transfers to family trusts, individual retirement accounts and family members. Unless amended, these bylaw restrictions on transfer would terminate if we were to effect an underwritten public offering of our securities registered pursuant to the Securities Act of 1933. See "Description of Registrant's Securities—Transfer Restrictions."

Our charter documents contain provisions that may delay, defer or prevent a change of control.

Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. These provisions include the following:

- division of our Board of Directors into three classes, with each class serving a staggered three-year term;
- removal of directors for cause only;
- ability of the Board of Directors to authorize the issuance of preferred stock in series without stockholder approval;
- two-thirds stockholder vote requirement to approve specified business combinations, which include a sale of substantially all of our assets;
- vesting of exclusive authority in the Board of Directors to determine the size of the board (subject to limited exceptions) and to fill vacancies;

- advance notice requirements for stockholder proposals and nominations for election to the Board of Directors; and
- prohibitions on our stockholders from acting by written consent and limitations on calling special meetings.

We do not expect to pay any dividends for the foreseeable future.

We do not anticipate paying any dividends to our stockholders for the foreseeable future. Our Class F and Class G convertible preferred stock are entitled to participate in any dividends to common stockholders on an "as converted" to common stock basis. Our credit facilities also restrict our ability to pay dividends. Any determination to pay dividends in the future will be made at the discretion of our Board of Directors and will depend on our results of operations, financial conditions, contractual restrictions, restrictions imposed by applicable law and other factors our Board of Directors deems relevant.

ITEM 2. FINANCIAL INFORMATION

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data along with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes, which is included in this registration statement. We derived the consolidated statement of income data for each of the three years ended September 30, 2006, 2005 and 2004 and the consolidated balance sheet data at September 30, 2006 and 2005 from our audited consolidated financial statements, which are included elsewhere in this registration statement. The data for the three months ended December 31, 2006 and 2005 have been derived from our unaudited consolidated financial statements included elsewhere in this registration statement. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of our management, reflect all adjustments necessary for a fair presentation of this data. The results for any interim period are not necessarily indicative of the results that may be expected for a full year. We derived the consolidated statement of income data for each of the years ended September 30, 2003 and 2002 and the consolidated balance sheet data as of September 30, 2004, 2003 and 2002 from our audited consolidated financial statements not included in this registration statement.

	Year Ended September 30,					Three Months Ended December 31,	
	2002	2003	2004	2005	2006	2005	2006
	(in millions, except share and per share data)						
Consolidated Statement of Income Data:							
Revenues	$ 1,747	$ 1,915	$ 2,012	$ 2,395	$ 3,421	$ 747	$ 939
Cost of revenues	1,269	1,381	1,443	1,718	2,515	547	691
Gross profit	478	534	569	677	906	200	248
Equity in earnings of joint ventures	1	2	3	2	7	2	1
General and administrative expenses	430	467	485	581	810	177	219
Income from operations	49	69	87	98	103	25	30
Minority interest share of earnings	3	3	3	8	14	2	1
Gain on the sale of equity investment	—	—	—	—	—	—	11
Interest expense—net	12	10	8	7	10	4	1
Income before income tax expense	34	56	76	83	79	19	39
Income tax expense	11	19	26	29	25	6	13
Net income	$ 23	$ 37	$ 50	$ 54	$ 54	$ 13	$ 26
Net income allocation:							
Preferred stock dividend	$ —	$ 2	$ 5	$ 6	$ 2	$ 1	$ —
Net income available for common stockholders	23	35	45	48	52	12	26
Net income	$ 23	$ 37	$ 50	$ 54	$ 54	$ 13	$ 26
Earnings per share available for common stockholders:							
Basic	$ 0.89	$ 1.34	$ 1.71	$ 1.86	$ 1.88	$ 0.43	$ 0.89
Diluted	$ 0.86	$ 1.29	$ 1.57	$ 1.68	$ 1.48	$ 0.40	$ 0.65
Weighted average shares outstanding (in thousands):							
Basic	25,815	26,429	26,300	25,940	27,428	26,644	28,800
Diluted	27,001	28,589	32,127	31,989	36,329	32,612	39,518

	Year Ended or as of September 30,					Three Months Ended or as of December 31,	
	2002	2003	2004	2005	2006	2005	2006
	(in millions, except employee data)						
Other Data:							
Depreciation and amortization	23	13	13	20	40	9	7
Amortization expense of acquired intangible assets	—	—	—	3	15	3	1
Capital expenditures	20	14	19	31	32	7	10
Backlog	1,710	1,660	1,620	2,000	2,500	2,480	2,851

Number of full-time and part-time employees	15,500	16,800	17,700	22,000	27,300	24,200	28,500

	Year Ended September 30,					Three Months Ended December 31,	
	2002	2003	2004	2005	2006	2005	2006
	(in millions)						
Consolidated Balance Sheet Data:							
Cash and cash equivalents	$ 28	$ 120	$ 121	$ 54	$ 128	$ 67	$ 138
Working capital	113	213	225	171	201	224	178
Total assets	965	1,056	1,115	1,425	1,826	1,585	1,879
Long-term debt excluding current portion	171	122	105	216	123	313	104
Redeemable preferred and common stock and stock units, net of notes receivable (restated)	378	472	501	586	735	593	779
Stockholders' deficit (restated)	(108)	(181)	(159)	(240)	(291)	(237)	(324)

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our consolidated financial statements and the related notes and other financial information included in this registration statement. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this registration statement, particularly in "Risk Factors."

Overview

We are a leading global provider of professional technical and management support services for commercial and government clients around the world. We provide our services in a broad range of end markets and strategic geographic markets through a global network of operating offices and approximately 28,000 employees and staff employed in the field on a project-by-project basis.

Our business focuses primarily on providing fee-based professional technical and support services and, as such, we are labor and not capital intensive. We derive income from our ability to generate revenues and collect cash from our clients through the billing of our employees' time and our ability to manage our costs. We operate our business through two segments: Professional Technical Services (PTS) and Management Support Services (MSS).

Our PTS segment delivers planning, consulting, architecture and engineering design, and program and construction management services to institutional, commercial and government clients worldwide in major end markets such as transportation, facilities and environmental markets. PTS revenues are primarily derived from fees from services that we provide, as opposed to pass-through fees from subcontractors and other direct costs. As a percentage of PTS revenue, our other direct costs, including subcontractor and consultant costs, typically range from 30% to 38%. Our gross margin as a percentage of PTS revenue typically ranges from 44% to 48%, depending on the nature and scope of the underlying projects.

Our MSS segment provides facilities management and maintenance, training, logistics, consulting, technical assistance and systems integration services, primarily for agencies of the U.S. government. MSS revenues typically include a significant amount of pass-through fees from subcontractor and other direct costs. As a percentage of MSS revenue, other direct costs, including subcontractor, consultants and material costs typically range from 85% to 87%. Our gross margin as a percentage of MSS revenue typically ranges from 3% to 5%, depending on the level of other direct costs required, which can vary significantly from period to period.

In total, our revenues are dependent on our ability to attract qualified and productive employees, identify business opportunities, allocate our labor resources to profitable markets, secure new contracts, renew existing client agreements and provide outstanding services. Moreover, as a professional services company, the quality of the work generated by our employees is integral to our revenue generation.

Our costs are driven primarily by the compensation we pay to our employees, including fringe benefits, the cost of hiring subcontractors and other project-related expenses, and sales, general and administrative overhead costs.

Components of Income and Expense

Our management analyzes the results of our operations using three financial measures that are not in accordance with generally accepted accounting principles in the United States (GAAP).

The following table presents, for the periods indicated, a presentation of the non-GAAP financial measures reconciled to the closest GAAP measure:

	Year Ended September 30,					Three Months Ended December 31,	
	2002	2003	2004	2005	2006	2005	2006
	(in millions)						
Other Financial Data:							
Revenues	$ 1,747	$ 1,915	$ 2,012	$ 2,395	$ 3,421	$ 747	$ 939
Other direct costs	671	725	776	933	1,521	332	436
Net service revenues	1,076	1,190	1,236	1,462	1,900	415	503
Stock match expense—direct	5	2	1	2	11	1	1
Other cost of net service revenues	593	654	666	783	983	214	254
Cost of net service revenues	598	656	667	785	994	215	255
Gross profit	478	534	569	677	906	200	248
Equity in earnings of joint ventures	1	2	3	2	7	2	1

Amortization expense of acquired intangible assets	—	—	—	3	15	3	1
Stock match expense—general and administrative	6	1	1	1	4	3	1
Other general and administrative expenses	424	466	484	577	791	171	217
General and administrative expenses	430	467	485	581	810	177	219
Income from operations	$ 49	$ 69	$ 87	$ 98	$ 103	$ 25	$ 30

Revenues

We recognize revenues using the percentage-of-completion method. Under this method, revenue is recorded generally on the basis of the ratio of direct labor dollars incurred to the estimated total direct labor dollars. We review our progress on each contract periodically and losses, if any, are recognized as soon as we determine that the contract will result in a loss. Our revenues are primarily derived from fee-based professional and technical services that our employees provide to our portfolio of clients as well as from other direct costs such as subcontractor and direct material purchases. Increases in fees or billable hours of our employees tends to have a more positive impact on our profitability than do increases in other direct costs. Contracts that are more heavily weighted on other direct costs tend to have lower profit margins.

Other Direct Costs

On many projects we are responsible for other direct costs or pass-through costs that may include third party field labor, subcontracts, or the procurement of materials and equipment. We account for the reimbursement of these expenses as revenues as these costs are incurred. On projects where the client elects to pay these costs directly, however, pass-through costs are not reflected in our revenues or expenses. Thus, other direct costs can fluctuate significantly. We generally do not earn profits from pass-through costs with the exception when incremental costs are incurred relating to the level of effort expended by us on these pass-through costs for supervision, accounting services and similar activities. In the cases where we do mark-up costs and earn profits, the amount is typically insignificant.

Net Service Revenues

In the course of providing our services, we routinely incur “other direct costs” (i.e. payments to subcontractors and other “pass-through” costs). Generally, these other direct costs are passed through to our clients and are included in our revenues when it is our responsibility to procure or manage such costs under the contract. Because other direct costs can vary significantly from project to project and period to

period, changes in revenue may not be indicative of our business trends. Accordingly, in addition to revenues, we report net service revenues, and our discussion and analysis of financial condition and results of operations uses net services revenues as a point of reference. Net service revenues and gross margin (gross profit as a percentage of net service revenues) are non-GAAP measures and may not be comparable to similarly titled items reported by other companies. We believe that net service revenues are a more reflective measure of our business because total revenues include significant amounts of other direct or pass-through costs.

Cost of Net Service Revenues

Cost of net service revenues reflect the direct cost of our own personnel (including fringe benefits and overhead expense) associated with net service revenue.

Stock Match Expense

Our total cost of net service revenues, as well as in our general and administrative costs, includes an expense for company-provided stock matches. Our strategy as a privately-held company has been to encourage employee ownership of company stock by providing stock matches on certain purchases of our common stock and common stock units, as well as a means to raise capital as there has not been a public market to do so. To the extent that employees purchase stock and stock units directly or by designating previously earned retirement funds, we have provided a match on a portion of the stock purchased. In addition, in mergers and acquisitions, as well as key hires, we have from time to time, provided discretionary matches beyond the typical match. The standard matching percentage for fiscal years 2004, 2005 and 2006 was primarily 18%. Compensation expense associated with these stock matches, which is included in both cost of net service revenues and general and administrative expenses under GAAP, is segregated because it is considered a function of the level of stock purchased by employees and not a cost of work performed.

Because it is difficult to predict with any precision the amount of stock purchased by employees, our stock match expense can vary significantly from period to period and tends to be a function of the level of our mergers and acquisitions activity. We anticipate once there is a public market for our stock, to reduce the overall matches to employees, including those from obtained through mergers and acquisitions. As discussed above in “Components of Income and Expense,” management believes that segregating stock matches is appropriate in analyzing results of operations. Stock matches are non-GAAP measures and segregating them from compensation expense included in cost of revenues and general and administrative expenses may not provide an accurate comparison to similarly titled captions reported by other companies.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures includes our portion of fees added by joint ventures in which we participate in client billings for services performed by joint venture partners and earnings from investments in non-controlled and non-consolidated joint ventures where the joint venture employs its own employees.

General and Administrative Expenses

General and administrative expenses include all corporate overhead expenses, including personnel, occupancy, administrative, performance earnings plan accruals, taxes, benefits and other operating expenses, and prior to fiscal 2002, amortization expense of goodwill acquired through acquisitions. In fiscal 2002, we discontinued amortizing goodwill and commenced testing our goodwill for impairment in accordance with the Financial Accounting Standards Board, or FASB, Statement of Financial Accounting Standards, or SFAS, No. 142, “*Goodwill and Other Intangible Assets*” (SFAS 142). To date, we have not nor do we expect to in the future, recognize any expense related to goodwill impairment. Should we determine, however, that our goodwill is impaired the related expense would be a component of our general and administrative expense.

Amortization Expense of Acquired Intangible Assets

Included in our general and administrative expense is amortization expense of acquired intangible assets. Under SFAS No. 141, *"Business Combinations"* (SFAS 141) and the SEC's interpretations thereof, we must ascribe value to identifiable intangible assets other than goodwill in our purchase allocations for acquired companies. These assets include but are not limited to backlog, customer lists and trade names. To the extent we ascribe value to identifiable intangible assets that have finite lives, we amortize those values over the estimated useful lives of the assets. Such amortization expense, although non-cash in the period expensed, directly impacts our results of operations.

It is difficult to predict with any precision the amount of expense we may record relating to acquired intangible assets. As backlog is typically the shortest lived intangible asset in our business, we would expect to see higher amortization expense in the first 12 to 18 months after a merger or acquisition has been consummated. Amortization expense of acquired intangible assets is a non-GAAP measures and segregating them from general and administrative expense may not provide an accurate comparison to similarly titled captions reported by other companies. In order to assess true operational performance, we segregate from general and administrative expense, as well as income from operations, the periodic amortization expense related to acquired intangible assets. These changes would have the effect of showing income from operations higher than it would have been under GAAP in actual dollars, as well as a percent of total revenue.

Income Tax Expense

Income tax expense varies as a function of income before income tax expense and permanent non-tax deductible expenses such as amortization expense of acquired intangible assets, certain amounts of meals and entertainment expense, valuation allowance requirements and other permanent differences. We anticipate to continue our merger and acquisition strategy and as such, we anticipate that there will be variability in our effective tax rate from quarter to quarter and year to year, especially to the extent that our permanent differences increase or decrease.

Mergers and Acquisitions

One of our key strategies is to focus on both organic growth and mergers and acquisitions of technical companies that complement our business sectors and/or expand our geographic presence.

In fiscal year 2004, we consummated the following two acquisitions:

- *PADCO*. In April 2004, we acquired 100% of the capital stock of Planning and Development Collaborative International, Inc., which provides services to the U.S. Agency for International Development and other multi-lateral aid and development agencies. The consideration consisted of cash and our common stock.
- *UMA* In September 2004, we acquired 100% of the capital stock of UMA Group Ltd., a Vancouver, B.C.-based engineering firm. The consideration consisted of cash and exchangeable stock of a subsidiary. The exchangeable stock of the subsidiary is exchangeable, on a share for share basis, for our common stock.

In fiscal year 2005, we consummated seven mergers and acquisitions, including:

- *Bassett.* In October 2004, we acquired 100% of the capital stock of W.E. Bassett, an Australian building engineering firm. This consideration consisted of cash and our common stock.

- *Bullen.* In March 2005, we acquired 100% of the capital stock of Bullen Consultants Limited, a U.K.-based transportation and environmental engineering firm. The consideration consisted of cash and our common stock.
- *ENSR.* In September 2005, we acquired 100% of the capital stock of Tiger Acquisition Corp., parent company of ENSR International, a U.S.-based environmental management firm. The consideration consisted of cash.

In fiscal year 2006, we consummated four mergers and acquisitions, including:

- *EDAW.* In December 2005, we acquired 100% of the capital stock of EDAW, Inc., a San Francisco-based global urban-development and planning firm. The consideration consisted of cash and our common stock.
- *Cansult Maunsell.* In September 2006, we acquired 100% of the capital stock through a two-step merger of Cansult Limited, an Ontario, Canada-based consulting firm that operates predominantly in the Middle East. The consideration consisted of cash.

In fiscal year 2007, we consummated five mergers and acquisitions, including:

- *HSMM*. In January 2007, we acquired 100% of the capital stock of Hayes, Seay, Mattern & Mattern, Inc., a Virginia-based engineering, architectural services for buildings, infrastructure development and environmental restoration firm. The consideration consisted of cash.
- *RETEC*. In January 2007, we acquired 100% of the capital stock of Retec, Inc., a U.S.-based environmental management firm. The consideration consisted of cash.

The purchase prices in certain of these mergers and acquisitions are subject to purchase allocation adjustments based upon the final determination of the acquired firm's tangible and intangible net asset values as of their respective closing dates. All of our mergers and acquisitions have been accounted for as purchases and the results of operations of the acquired companies have been included in our consolidated results since the dates of the merger and/or acquisition.

Critical Accounting Policies

Our financial statements are presented in accordance with GAAP. Highlighted below are the accounting policies that management considers significant to understanding the operations of our business.

Revenue Recognition

Contract revenues are recognized on the percentage-of-completion method, measured generally by the ratio of direct labor dollars incurred to date to the total estimated direct labor dollars at completion. We include other direct costs (for example, third party field labor, subcontractors, or the procurement of materials or equipment) in contract revenues when the costs of these items are incurred and we are responsible for the ultimate acceptability of such costs. We consider the percentage-of-completion method to be the best available measure of progress on these contracts. Changes in job performance, job conditions and estimated profitability, including those arising from final contract settlements, may result in revisions to estimated costs and revenues and are recognized in the period in which the revisions are determined. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

In the ordinary course of business, and at a minimum on a quarterly basis, we prepare updated estimates of the total forecasted contract revenue, cost and profit or loss. The cumulative effect of revisions in estimates of the total forecasted revenue and costs during the course of the work, including unapproved change orders and claims, is reflected in the accounting period in which the facts that caused the revision become known to us. The financial impact of these revisions to any one contract is a function of both the amount of the revision and the percentage of completion of the contract.

Claims Recognition

Claims are amounts in excess of the agreed contract price (or amounts not included in the original contract price) that we seek to collect from customers or others for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved as to both scope and price or other causes of unanticipated additional costs. We record claims in accordance with paragraph 65 of the American Institute of Certified Public Accountants Statement of Position 81-1, *"Accounting for Performance of Construction-Type and Certain Production-Type Contracts."* This statement of position provides that recognition of amounts related to claims as additional contract revenue is appropriate only if it is probable that the claims will result in additional contract revenue and if the amount can be reliably estimated. Those two requirements are satisfied by management's determination of the existence of all of the following conditions: the contract or other evidence provides a legal basis for the claim; additional costs are caused by circumstances that were unforeseen at the contract date and are not the result of deficiencies in the contractor's performance; costs associated with the claim are identifiable or otherwise determinable and are reasonable in view of the work performed; and the evidence supporting the claim is objective and verifiable. If such requirements are met, revenue from a claim is recorded to the extent that contract costs relating to the claim have been incurred. The amounts recorded, if material, are disclosed in the notes to the financial statements. Costs attributable to claims are treated as costs of contract performance as incurred.

Unbilled Accounts Receivable and Billings in Excess of Costs on Uncompleted Contracts

Unbilled accounts receivable represents the excess of contract costs and profits (or contract revenue) recognized to date using the percentage-of-completion accounting method over billings to date. Unbilled work results when:

- the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract or the billing system does not accommodate billing until after the close of the accounting period in which the revenue is earned; and/or
- costs, recorded at estimated realizable value, related to claims are incurred.

Billings in excess of costs on uncompleted contracts represent the excess of billings to date, as allowed under the terms of a contract, over the amount of contract costs and profits (or contract revenue) recognized to date using the percentage-of-completion accounting method on certain contracts.

Investments in Unconsolidated Joint Ventures

We establish arrangements with other service providers to provide architecture, engineering, program management, construction management and operations and maintenance services through joint ventures. These joint ventures, the combination of two or more partners, are generally formed for a specific project. Management of the joint venture is controlled by the joint venture executive committee which is typically comprised of a representative of each joint venture partner with equal voting rights, irrespective of the ownership percentage, which is generally based on the percentage split of work to be performed by each joint venture partner. The executive committee provides management oversight and assigns work efforts to the joint venture partners. In accordance with the FASB Interpretation No. 46 (revised December 2003) *"Consolidation of Variable Interest Entities"* (FIN 46R) joint ventures in which we are not the primary

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beneficiary are accounted for using the equity method. Services performed by us and billed to the joint ventures with respect to work done by us for third party customers are recorded as our revenues in the period such services are rendered. In certain joint ventures, a fee is added to the respective billings from us and the other joint venture partners on the amounts billed to third party customers. These fees result in earnings to the joint venture and are split with each of the joint venture partners and paid to the joint venture partners upon collection from the third party customer. We record our allocated share of these fees as equity in earnings of joint ventures.

Under these arrangements, if one partner is financially unable to complete its share of the contract, the other partners will be required to complete those activities. Our policy is to enter into joint venture arrangements with partners who are financially sound and who carry appropriate levels of surety bonds for a project to adequately assure completion of their assignment. We have from time to time deviated from this policy at the request of our clients. In all instances, we attempt to structure our operating agreements among the joint venture partners to minimize risk.

Income Taxes

Valuation Allowance. Deferred income taxes are provided on the liability method whereby deferred tax assets and liabilities are established for the difference between the financial reporting and income tax basis of assets and liabilities, as well as operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Deferred tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not that some portion or all of the deferred tax assets may not be realized. Whether a deferred tax asset may be realized requires considerable judgment by us. In considering the need for a valuation allowance, we consider the future reversal of existing temporary differences, future taxable income exclusive of reversing temporary differences and carry-forwards, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would not normally be taken by management, in the absence of the desire to realize the deferred tax asset. Whether a deferred tax asset will ultimately be realized is also dependent on varying factors, including, but not limited to, changes in tax laws and audits by tax jurisdictions in which we operate.

We review the need for a valuation allowance annually. If we determine we will not realize all or part of our net deferred tax asset in the future, we will record an additional valuation allowance. Conversely, if we determine that the ultimate realizability of all or part of the net deferred tax asset is more likely than not to be realized, then the amount of the valuation allowance will be reduced. This adjustment will increase or decrease income tax expense in the period of such determination.

Undistributed Foreign Earnings. The results of foreign operations are consolidated by us for financial reporting; however, earnings from investments in foreign operations are included in domestic taxable income only when actually or constructively received. No deferred taxes have been provided on the undistributed earnings of foreign operations because we plan to permanently reinvest these earnings overseas. If we were to repatriate these earnings additional taxes would be due at that time. However, these additional taxes may be offset in part by the use of foreign tax credits.

Goodwill

At September 30, 2006, we had recorded goodwill in the amount of approximately $466.5 million. SFAS 142 requires that we test our goodwill, at least annually, for potential impairment. The process of testing goodwill for impairment involves the determination of the fair value of our reporting units. Inherent in such fair value determinations are certain judgments and estimates, including assumptions about our strategic plans with regard to our operations as well as the interpretation of current economic indicators and market valuations. To the extent economic conditions that would impact the future operations of our reporting units change, our goodwill may be deemed to be impaired and an impairment charge could result in a material adverse effect on our financial position or results of operations.

Accrued Professional Liability Costs

We carry professional liability insurance policies or self-insure for our initial layer of professional liability claims under our professional liability insurance policies and for a deductible for each claim even after exceeding the self-insured retention. We accrue for our portion of the estimated ultimate liability for the estimated potential incurred losses. We establish our estimate of loss for each potential claim in consultation with legal counsel handling the specific matters and on historic trends taking into account recent events. We also use an outside actuarial firm to assist us in estimating our future claims exposure. It is possible that our estimate of loss may be revised based on the actual or revised estimate of liability of the claims.

Results of Operations

Three months ended December 31, 2006 compared to the three months ended December 31, 2005

Consolidated Results

	Three Months Ended		Change	
	December 31, 2005	December 31, 2006	$	%
	($ in thousands)			
Revenues	$ 746,797	$ 938,549	$ 191,752	25.7%
Other direct costs	331,449	435,417	103,968	31.4
Net service revenues	415,348	503,132	87,784	21.1
Cost of net service revenues	215,309	254,713	39,404	18.3
Gross profit	200,039	248,419	48,380	24.2
Equity in earnings of joint ventures	1,670	1,417	(253)	(15.1)
General and administrative expenses	176,983	219,828	42,845	24.2
Income from operations	24,726	30,008	5,282	21.4
Minority interest in share of earnings	1,951	1,586	(365)	(18.7)
Gain on sale of equity investment	—	11,286	11,286	—
Interest expense—net	3,723	1,075	(2,648)	(71.1)
Income before income tax expense	19,052	38,633	19,581	102.8
Income tax expense	6,097	13,113	7,016	115.1
Net income	$ 12,955	$ 25,520	$ 12,565	97.0%

The following table presents the percentage relationship of certain items to net service revenues:

	Three Months Ended	
	December 31, 2005	December 31, 2006
Net service revenues	100.0%	100.0%
Cost of net service revenues	51.8	50.6
Gross profit	48.2	49.4
Equity in earnings of joint ventures	0.4	0.3
General and administrative expenses	42.6	43.7
Income from operations	6.0	6.0
Minority interest in share of earnings	0.5	0.3
Gain on sale of equity investment	0.0	2.2
Interest expense—net	0.9	0.2
Income before income tax expense	4.6	7.7
Income tax expense	1.5	2.6
Net income	3.1%	5.1%

Revenues

For the three months ended December 31, 2006, revenues increased $191.8 million, or 25.7%, to $938.5 million as compared to $746.8 million for the three months ended December 31, 2005. Of this increase, $50.8 million, or 26.5% was provided by companies acquired in the past twelve months. Excluding revenues provided by companies acquired in the past 12 months, revenues increased $141.0 million, or 18.9%. This increase was primarily attributable to continued economic growth in Australia and Canada including increased government and private sector spending in infrastructure development; growth in our building and transportation business in the U.K. and significant growth in our combat support and global maintenance and supply services for the Department of Defense.

Net Service Revenues

For the three months ended December 31, 2006, net service revenues increased $87.8 million, or 21.1%, to $503.1 million as compared to $415.3 million for the three months ended December 31, 2005. Of this increase, $37.5 million, or 42.7% was provided by companies acquired in the past twelve months. Excluding net service revenues provided by companies acquired in the past 12 months, net service revenues increased $50.3 million, or 12.1%. This increase was primarily attributable to continued economic growth factors noted above and increases in our self-performed work for the above mentioned combat support and global maintenance and supply services for the Department of Defense.

Cost of Net Service Revenues

For the three months ended December 31, 2006, cost of net service revenues increased $39.4 million, or 18.3%, to $254.7 million as compared to $215.3 million for the three months ended December 31, 2005. Of this increase, $18.8 million, or 47.8% was incurred by companies acquired in the past 12 months. Excluding cost of net service revenues associated with companies acquired in the past twelve months, cost of net service revenues increased $20.6 million, or 9.6%. The preponderance of our cost of net service revenues is employee and employee related costs. As we realize increases in our net service revenues, we will realize corresponding increases in our headcount and employee and employee related costs. To the extent we increase our billable hours without increasing our headcount, our margins improve. For the three months ended December 31, 2006, cost of net service revenues, as a percentage of net services revenues, were 50.6% as compared to 51.8% for the three months ended December 31, 2005.

Gross Profit

For the three months ended December 31, 2006, gross profit increased $48.4 million, or 24.2%, to $248.4 million as compared to $200.0 million for the three months ended December 31, 2005. Of this increase, gross profit provided by companies acquired in the past 12 months was $18.6 million, or 38.5%. Excluding gross profit provided by companies acquired in the past 12 months, gross profit increased $29.8 million, or 14.9%. This increase was primarily attributable to higher gross profit margins in our environmental compliance projects as well as higher margins in certain combat support and global maintenance and supply services. For the three months ended December 31, 2006, gross profit, as a percentage of net service revenues, was 49.4% as compared to 48.2% for the three months ended December 31, 2005.

Equity in Earnings of Joint Ventures

For the three months ended December 31, 2006, equity in earnings of joint ventures decreased $0.3 million, or 15.1%, to $1.4 million as compared to $1.7 million for the three months ended December 31, 2005 resulting from lower activities in non-consolidated/non-controlled joint ventures.

General and Administrative Expense

For the three months ended December 31, 2006, general and administrative expense increased $42.8 million, or 24.2%, to $219.8 million as compared to $177.0 million for the three months ended December 31, 2005. For the three months ended December 31, 2006, general and administrative expenses,

as a percentage of net service revenues, were 43.7% as compared to 42.6% for the three months ended December 31, 2005. The increase was primarily attributable to growth in revenues noted above, increased headcount associated with acquired companies, continued investments throughout the organization to support strategic initiatives and expenses incurred related to our becoming a public reporting company, including Sarbanes-Oxley Act of 2002 (SOX) compliance efforts partially offset by a decrease of $2.5 million in amortization expense of acquired intangible assets.

Gain on Sale of Equity Investment

In the three months ended December 31, 2006, we sold our minority interest in an equity investment in the U.K. for 7.5 million GBP, or approximately $14.7 million. Related to this sale, we recorded a gain on the sale of $11.3 million.

Interest Expense - Net

For the three months ended December 31, 2006, net interest expense decreased $2.6 million, or 71.1%, to $1.1 million as compared to $3.7 million for the three months ended December 31, 2005. This decrease was primarily attributable to lower borrowings in the three months ended December 31, 2006 as compared to the prior year. In three months ended December 31, 2005, we had higher borrowings under our senior credit facility associated with acquisitions completed in the latter part of fiscal year 2005 and the first quarter of fiscal year 2006.

Income Tax Expense

For the three months ended December 31, 2006, income tax expense increased $7.0 million, or 115.1%, to $13.1 million as compared to $6.1 million for the three months ended December 31, 2005. The effective tax rate for the three months ending December 31, 2006 was 33.9% as compared to 32.0% for the three months ended December 31, 2005.

Net Income

The factors described above resulted in net income of $25.5 million for the three months ended December 31, 2006 as compared to net income of $13.0 for the three months ended December 31, 2005.

Results of Operations by Reportable Segment:

<u>Professional Technical Services</u>

	Three Months Ended		Change	
	December 31, 2005	December 31, 2006	$	%

	($ in thousands)			
Revenues	$ 612,264	$ 753,545	$ 141,281	23.1%
Net service revenues	$ 399,599	$ 482,781	$ 83,182	20.8%
Cost of net service revenues	207,468	242,745	35,277	17.0%
Gross profit	$ 192,131	$ 240,036	$ 47,905	24.9%

The following table presents the percentage relationship of certain items to net service revenue:

	Three Months Ended	
	December 31, 2005	December 31, 2006
Net service revenues	100.0%	100.0%
Cost of net service revenues	51.9	50.3
Gross profit	48.1%	49.7%

Revenues

For the three months ended December 31, 2006, PTS' revenues increased $141.3 million, or 23.1%, to $753.5 million as compared to $612.3 million for the three months ended December 31, 2005. Of this increase, $50.8 million, or 35.9% was provided by companies acquired in the past twelve months. Excluding revenues provided by companies acquired in the past 12 months, PTS' revenues increased $90.5 million, or 14.8%. This increase was primarily attributable to continued economic growth in Australia and Canada including increased government and private sector spending in infrastructure development and growth in our building and transportation business in the U.K.

Net Service Revenues

For the three months ended December 31, 2006, PTS' net service revenues increased $83.2 million, or 20.8%, to $482.8 million as compared to $399.6 million for the three months ended December 31, 2005. Of this increase, $37.4 million, or 45.0% was provided by companies acquired in the past twelve months. Excluding net service revenues provided by companies acquired in the past 12 months, PTS' net service revenues increased $45.7 million, or 11.4%. This increase was primarily attributable to the factors mentioned above.

Cost of Net Service Revenues

For the three months ended December 31, 2006, PTS' cost of net service revenues increased $35.3 million, or 17.0%, to $242.7 million as compared to $207.5 million in the three months ended December 31, 2005. Of this increase, $18.8 million, or 53.3% was incurred by companies acquired in the past twelve months. Excluding cost of net service revenues incurred by companies acquired in the past twelve months, cost of net service revenues increased by $16.5 million, or 7.9%. This lower rate of growth as compared to net service revenues was primarily attributable to higher margins of acquired companies, in particular those with an environmental management practice and margin improvement in our Canadian and U.K. operations. For the three months ended December 31, 2006, cost of net service revenues, as a percentage of net service revenues, were 50.3% as compared to 51.9% for the three months ended December 31, 2005.

Gross Profit

For the three months ended December 31, 2006, PTS' gross profit increased $47.9 million, or 24.9%, to $240.0 million as compared to $192.1 million for the three months ended December 31, 2005. Of this increase, $18.6 million, or 38.8% was provided by companies acquired in the past 12 months. Excluding gross profit provided by companies acquired in the past 12 months, gross profit increased $29.3 million, or 15.2%. The increases were primarily attributable to success fees associated with a project in Australia, margin improvements in our Canadian and U.K. operations as well as our U.S. transportation sector. For the three months ended December 31, 2006, gross profit, as a percentage of net service revenues, was 49.7% as compared to 48.1% for the three months ended December 31, 2005.

Equity in Earnings of Joint Ventures

For the three months ended December 31, 2006, equity in earnings of joint ventures decreased $0.4 million, or 47.5%, to $0.4 million as compared to $0.8 million for the three months ended December 31, 2005.

<u>Management Support Services</u>

	Three Months Ended		Change	
	December 31, 2005	December 31, 2006	$	%
		($ in thousands)		
Revenues	$ 134,479	$ 184,680	$ 50,201	37.3%
Net service revenues	$ 13,574	$ 20,086	$ 6,512	48.0%
Cost of net service revenues	6,954	11,969	5,015	72.1%
Gross profit	$ 6,620	$ 8,117	$ 1,497	22.6%

The following table presents the percentage relationship of certain items to net service revenue:

Three Months Ended	
December 31, 2005	December 31, 2006

Net service revenues	100.0%	100.0%
Cost of net service revenues	51.2	59.6
Gross profit	48.8%	40.4%

Revenues

For the three months ended December 31, 2006, MSS' revenues increased $50.2 million, or 37.3%, to $184.7 million as compared to $134.5 million for the three months ended December 31, 2005, none of which was provided by companies acquired in the past 12 months. This increase was primarily attributable to significant growth in our self-performed work for combat support and global maintenance and supply services for the Department of Defense, offset by lower levels of other direct costs.

Net Service Revenues

For the three months ended December 31, 2006, MSS' net service revenues increased $6.5 million, or 48.0%, to $20.1 million as compared to $13.6 million for the three months ended December 31, 2005. The remaining increase was primarily attributable to growth in our self-performed work for the above mentioned combat support and global maintenance and supply services for the Department of Defense.

Cost of Net Service Revenues

For the three months ended December 31, 2006, MSS' cost of net service revenues increased $5.0 million, or 72.1%, to $12.0 million as compared to $7.0 million for the three months ended December 31, 2005. For the three months ended December 31, 2006, cost of net service revenues, as a percentage of net service revenues, were 59.6% as compared to 51.2% for the three months ended December 31, 2005.

Gross Profit

For the three months ended December 31, 2006, MSS' gross profit increased $1.5 million, or 22.6%, to $8.1 million as compared to $6.6 million for the three months ended December 31, 2005. For the three months ended December 31, 2006, gross profit, as a percentage of net service revenues, was 40.4% as compared to 48.8% for the three months ended December 31, 2005. However, for the three months ended December 31, 2006, gross profit, as a percentage of revenues, was 4.4% as compared to 4.9% for the three months ended December 31, 2005. This decrease was primarily attributable to the completion of a higher margin project in the 2005 time period.

Equity in Earnings of Joint Ventures

For the three months ended December 31, 2006, MSS' equity in earnings of joint ventures increased $1.3 million, or 144.4%, to $2.2 million as compared to $0.9 million for the three months ended December 31, 2005 primarily due to our participation in the Nevada Test Site project. Equity in earnings of joint ventures varies from period to period based upon the services performed for non-controlled and non-consolidated joint ventures.

Fiscal year ended September 30, 2006 compared to the fiscal year ended September 30, 2005

Consolidated Results

	Fiscal Year Ended		Change	
	September 30, 2005	September 30, 2006	$	%
	($ in thousands)			
Revenues	$ 2,395,340	$ 3,421,492	$ 1,026,152	42.8%
Other direct costs	932,797	1,521,775	588,978	63.1
Net service revenues	1,462,543	1,899,717	437,174	29.9
Cost of net service revenues	785,066	993,909	208,843	26.6
Gross profit	677,477	905,808	228,331	33.7
Equity in earnings of joint ventures	2,352	6,554	4,202	178.7
General and administrative expenses	581,529	808,953	227,424	39.1
Income from operations	98,300	103,409	5,109	5.2
Minority interest in share of earnings	8,453	13,924	5,471	64.7
Interest expense—net	7,054	10,576	3,522	49.9
Income before income tax expense	82,793	78,909	(3,884)	(4.7)
Income tax expense	28,979	25,223	(3,756)	(13.0)
Net income	$ 53,814	$ 53,686	$ (128)	(0.2)%

The following table presents the percentage relationship of certain items to net service revenues:

	Fiscal Year Ended	
	September 30, 2005	September 30, 2006
Net service revenues	100.0%	100.0%
Cost of net service revenues	53.7	52.3
Gross profit	46.3	47.7
Equity in earnings of joint ventures	0.2	0.3
General and administrative expenses	39.8	42.6
Income from operations	6.7	5.4
Minority interest in share of earnings	0.5	0.6
Interest expense—net	0.5	0.6
Income before income tax expense	5.7	4.2
Income tax expense	2.0	1.4
Net income	3.7%	2.8%

Revenues

For fiscal 2006, revenues were $3.4 billion, an increase of $1.0 billion, or 42.8%, over fiscal 2005. Of this increase, $414.4 million was provided by companies acquired in the past 12 months. Excluding

revenues provided by companies acquired in the past 12 months, revenues increased $611.8 million, or 25.5% over fiscal 2005. Revenues increased among most of our sectors and geographic markets. In particular, there was strong growth in our MSS segment due to increased revenues in several existing and new contract awards.

Net Service Revenues

For fiscal 2006, net service revenues were $1.9 billion, an increase of $437.2 million, or 29.9%, over fiscal 2005. Of this increase, $281.9 million was provided by companies acquired in the past 12 months. Excluding net service revenues provided by companies acquired in the past 12 months, net service revenues increased $155.3 million, or 10.6% over fiscal 2005. The difference between the growth rates of our revenues and net services revenues is primarily attributable to the level of subcontracted costs and other direct costs which can vary significantly from period to period depending on contract requirements and contract mix. In addition, as we realize variations in our billable hours or utilization rates, net service revenues will vary.

Cost of Net Service Revenues

For fiscal 2006, cost of net service revenues was $993.9 million, an increase of $208.8 million, or 26.6%, over fiscal 2005. Of this increase, $128.2 million was incurred by companies acquired in the past 12 months. Excluding cost of net service revenues incurred by companies acquired in the past 12 months, cost of net service revenues increased $80.6 million, or 10.3% over fiscal 2005. The cost of net service revenues across our business segments was generally in line with the changes in net service revenues for our business segments.

Gross Profit

Gross profit was $905.8 million in fiscal 2006, an increase of $228.3 million, or 33.7% over fiscal 2005. Of this increase, $153.7 was provided by companies acquired in the past 12 months. Excluding gross profit provided by companies acquired in the past 12 months, gross profit increased $74.6 million, or 11.0% over fiscal 2005. As a percentage of net service revenue, gross profit was 46.3% and 47.7% in fiscal 2005 and 2006, respectively. The increase in fiscal 2006 was primarily attributable to higher margins that were added through mergers and acquisitions in the past year in addition to margin improvements in our foreign operations.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures was $6.5 million in fiscal 2006, an increase of $4.2 million over fiscal 2005 resulting from growth in our joint venture activities.

General and Administrative Expense

General and administrative expenses were $809.0 million in fiscal 2006, up $227.4 million, or 39.1%, over fiscal 2005. As a percentage of net service revenues, general and administrative expenses increased from 39.8% in fiscal 2005 to 42.6% in fiscal 2006.

Included in general and administrative expense is amortization expense of acquired intangible assets. This amortization expense was $14.5 million in fiscal 2006, up $11.5 million, or 383.3%, over fiscal 2005 as a result of recent mergers and acquisitions. This expense will vary as we consummate mergers and acquisitions, however, we expect the amortization expense to be higher during the first 12 to 18 months following the acquisition due to the short-term nature of acquired backlog.

Also included in general and administrative expense is approximately $4.0 million in expense incurred related to our becoming a public reporting company, including our SOX compliance efforts. We expect to continue to incur material levels of expense for our SOX compliance efforts through fiscal 2007.

This overall increase in our general and administrative expense was largely the result of increased personnel, including personnel associated with acquired companies, the factors described above, increased costs to support growth and compliance efforts, as well as one-time expenses related to recent mergers and acquisitions of $5.5 million.

Income From Operations

An overall increase in our business activity, higher gross profit, offset by higher general and administrative expenses, resulted in income from operations of $103.4 million in fiscal 2006, an increase of $5.1 million, or 5.2%, from $98.3 million in fiscal 2005.

Interest Expense—Net

Interest expense, net of $3.5 million of interest income, increased to $10.6 million in fiscal 2006, compared to $7.1 million in fiscal 2005. This increase is primarily attributable to higher average borrowings throughout the year to fund mergers and acquisitions, partially offset by strong cash flow from operations, $128.4 million in excess proceeds from the $235.0 million sale of our Class F and Class G convertible stock and a $1.1 million gain on the termination of our interest-rate swap contracts. At September 30, 2006, borrowings under our Amended and Restated Credit Agreement, our Term Credit Agreement and senior notes outstanding totaled $133.8 million, as compared to $229.7 million at September 30, 2005.

Income Tax Expense

Income tax expense was $25.2 million in fiscal 2006, compared to $29.0 million in fiscal 2005. The effective tax rate was 32.0% in fiscal 2006, as compared to 35.0% in fiscal 2005. The decrease in the effective tax rate was primarily attributable to the favorable resolution of certain contingencies relating to audits that were unresolved at September 30, 2005.

Net Income

The factors described above resulted in net income of $53.7 million in fiscal 2006, as compared to net income of $53.8 million in fiscal 2005.

Results of Operations by Reportable Segment

Professional Technical Services

	Fiscal Year Ended		Change	
	September 30, 2005	September 30, 2006	$	%
	($ in thousands)			
Revenues	$ 2,082,618	$ 2,772,833	$ 690,215	33.1%
Net service revenues	$ 1,415,450	$ 1,787,078	$ 371,628	26.3%
Cost of net service revenues	753,231	914,773	161,542	21.4%
Gross profit	$ 662,219	$ 872,305	$ 210,086	31.7%

The following table presents the percentage relationship of certain items to revenue, net of subcontractor costs:

	Fiscal Year Ended	
	September 30, 2005	September 30, 2006
Net service revenues	100.0%	100.0%
Cost of net service revenues	53.2	51.2
Gross profit	46.8%	48.8%

Revenues

Revenues in the PTS segment were $2.8 billion in fiscal 2006, an increase of $690.2 million, or 33.1%, over fiscal 2005. Of this increase, $414.4 million was provided by companies acquired in the past 12 months. Excluding revenues provided by companies acquired in the past 12 months, revenues increased $275.8 million, or 13.2% over fiscal 2005. PTS experienced growth throughout most of its business areas, with the exception of U.S. transportation operations due to temporary delays on certain large transportation projects.

Net Service Revenues

Net service revenues for PTS were $1.8 billion in fiscal 2006, an increase of $371.6 million, or 26.3%, over fiscal 2005. Of this increase, $281.9 million was provided by companies acquired in the past 12 months. Excluding net service revenues provided by companies acquired in the past 12 months, net service revenues increased $89.7 million, or 6.3%, over fiscal 2005. Net service revenues increased at a lower rate as compared to gross revenues due to higher pass-through costs to subcontractors included in total revenues.

Cost of Net Service Revenues

The cost of net service revenues for PTS was $914.8 million in fiscal 2006, an increase of $161.5 million, or 21.4%, over fiscal 2005. Of this increase, $128.2 million was incurred by companies acquired in the past 12 months. Excluding cost of net service revenues incurred by companies acquired in the past 12 months, cost of net service revenues increased $33.3 million, or 4.4%.

Gross Profit

Gross profit for PTS was $872.3 million in fiscal 2006, an increase of $210.1 million, or 31.7% over fiscal 2005. Of this increase, $153.7 million was provided by companies acquired in the past 12 months. Excluding gross profit provided by companies acquired in the past 12 months, gross profit increased $56.4 million, or 8.5%. As a percentage of net service revenue, gross profit was 48.8% of net service revenue in fiscal 2006, as compared to 46.8% in fiscal 2005. These changes were attributable to the factors described above.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures for PTS was $3.0 million in fiscal 2006, an increase of $0.6 million over fiscal 2005.

Management Support Services

	Fiscal Year Ended		Change	
	September 30, 2005	September 30, 2006	$	%
	($ in thousands)			
Revenues	$ 309,053	$ 647,188	$ 338,135	109.4%
Net service revenues	$ 42,977	$ 89,794	$ 46,817	108.9%
Cost of net service revenues	29,010	50,921	21,911	75.5%
Gross profit	$ 13,967	$ 38,873	$ 24,906	178.3%

The following table presents the percentage relationship of certain items to revenue, net of subcontractor costs:

	Fiscal Year Ended September 30, 2005	Fiscal Year Ended September 30, 2006
Net service revenues	100.0%	100.0%
Cost of net service revenues	67.5	56.7
Gross profit	32.5%	43.3%

Revenues

Revenues in the MSS segment were $647.2 million in fiscal 2006, an increase of $338.1 million, or 109.4%, over fiscal 2005, none of which was provided by companies acquired in the past 12 months. The increase in revenues was primarily attributable to the continuing military activities in the Middle East, resulting in demand for maintenance and operations of installations as well as modification work on military vehicles and systems. We also realized a substantial increase in the value of our indefinite delivery/indefinite quantity contracts. The nature of our work task orders focus on establishing facilities, general support and maintenance for U.S. military pre-positioned stocks, logistics, equipment and fleet management.

Net Service Revenue

Net service revenues for MSS were $89.8 million in fiscal 2006, an increase of $46.8 million, or 108.9% over fiscal 2005. Net service revenues increased at a slower rate than gross revenues due to a higher amount of pass-through costs that are included in gross revenues.

Cost of Net Service Revenue

The cost of net service revenues for MSS was $50.9 million in fiscal 2006, an increase of $21.9 million, or 75.5% over fiscal 2005. This increase was due to higher indirect expenses associated with the increase in business volume and employee-related expenses.

Gross Profit

Gross profit for MSS was $38.9 million in fiscal 2006, an increase of $24.9 million, or 178.3% over fiscal 2005. As a percentage of net service revenue, gross profit was 43.3% in fiscal 2006 as compared to 32.5% in fiscal 2005.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures for MSS was $4.9 million in fiscal 2006, an increase of $4.9 million over fiscal 2005. The increase was primarily attributable to earnings from recently formed unconsolidated joint ventures. Due to our minority interest in this joint venture, the earnings are not reflected in MSS' revenues. The joint ventures provide peacekeeping services, administrative support for civilian agencies and response training for law enforcement and military personnel. In addition, the award of the management and operations contract of the U.S. government's Nevada Test Site to the limited liability company for which we serve as a key partner provided earnings contribution through contract award fee performance.

Fiscal year ended September 30, 2005 compared to the fiscal year ended September 30, 2004

<u>Consolidated Results</u>

	Fiscal Year Ended September 30, 2004	Fiscal Year Ended September 30, 2005	Change $	Change %
	($ in thousands)			
Revenues	$ 2,011,975	$ 2,395,340	$ 383,365	19.1%
Other direct costs	775,722	932,797	157,075	20.2
Net service revenues	1,236,253	1,462,543	226,290	18.3
Cost of net service revenues	667,697	785,066	117,369	17.6
Gross profit	568,556	677,477	108,921	19.2
Equity in earnings of joint ventures	2,517	2,352	(165)	(6.6)
General and administrative expenses	484,446	581,529	97,083	20.0
Income from operations	86,627	98,300	11,673	13.5
Minority interest in share of earnings	3,239	8,453	5,214	161.0
Interest expense—net	6,968	7,054	86	1.2
Income before income tax expense	76,420	82,793	6,373	8.3
Income tax expense	25,984	28,979	2,995	11.5
Net income	$ 50,436	$ 53,814	$ 3,378	6.7%

The following table presents the percentage relationship of certain items to net service revenues:

	Fiscal Year Ended September 30, 2004	Fiscal Year Ended September 30, 2005
Net service revenues	100.0%	100.0%
Cost of net service revenues	54.0	53.7
Gross profit	46.0	46.3
Equity in earnings of joint ventures	0.2	0.2
General and administrative expenses	39.2	39.8
Income from operations	7.0	6.7
Minority interest in share of earnings	0.2	0.5
Interest expense—net	0.6	0.5
Income before income tax expense	6.2	5.7
Income tax expense	2.1	2.0

Net income	4.1%	3.7%

Revenues

For fiscal 2005, revenues were $2.4 billion, an increase of $383.4 million, or 19.1%, over fiscal 2004. Of this increase, $210.2 million was provided by companies acquired in the past 12 months. Excluding

revenues provided by companies acquired in the past 12 months, revenues increased $173.2 million, or 8.6% over fiscal 2004.

Net Service Revenues

For fiscal 2005, net service revenues were $1.5 billion, an increase of $226.3 million, or 18.3%, over fiscal 2004. Of this increase, $147.6 million was provided by companies acquired in the past 12 months. Excluding net service revenues provided by companies acquired in the past 12 months, net service revenues increased $78.7 million, or 6.4% over fiscal 2004.

Cost of Net Service Revenues

The cost of net service revenues was $785.1 million in fiscal 2005, an increase of $117.4 million, or 17.6%, over fiscal 2004. Of this increase, $74.6 million was incurred by companies acquired in the past 12 months. Excluding cost of net service revenues incurred by companies acquired in the past 12 months, cost of net service revenues increased $42.8 million, or 6.4% over fiscal 2004. The cost of net service revenues across our business segments was generally in line with the changes in net service revenues for each business segment.

Gross Profit

Gross profit was $677.5 million in fiscal 2005, an increase of $108.9 million, or 19.2% over fiscal 2004. Of this increase, gross profit provided by companies acquired in the past 12 months was $73.0 million. Excluding gross profit provided by companies acquired in the past 12 months, gross profit increased $35.9 million, or 6.3% over fiscal 2004. As a percentage of net service revenue, gross profit was 46.0% and 46.3% in fiscal 2004 and 2005, respectively. The slight increase in fiscal 2005 was primarily attributable to improvements in margins in our operations outside of the U.S.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures was $2.4 million in fiscal 2005, a decrease of $0.2 million over fiscal 2004.

General and Administrative Expense

General and administrative expenses were $581.5 million in fiscal 2005, up $97.1 million, or 20.0%, over fiscal 2004. As a percentage of net service revenue, general and administrative expenses increased from 39.2% in fiscal 2004 to 39.8% in fiscal 2005.

Included in general and administrative expense is amortization expense of acquired intangible assets. This amortization expense was $3.0 million in fiscal 2005 as compared to $0.0 million in fiscal 2004.

Also included in general and administrative expense was increased expenditures for new corporate initiatives, including transition costs associated with implementing a company-wide enterprise resource planning (ERP) platform. Higher gross profit, offset by higher general and administrative expenses, resulted in income from operations of $98.3 million in fiscal 2005, an increase of $11.7 million, or 13.5%, from $86.6 million of income from operations in fiscal 2004.

Interest Expense—Net

Interest expense, net of $2.1 million interest income, increased slightly to $7.1 million in fiscal 2005, compared to $7.0 million in fiscal 2004. Borrowings under our credit agreement and senior notes outstanding totaled $229.7 million at September 30, 2005 as compared to $108.3 million at September 30, 2004. The difference is primarily attributable to borrowings under our credit facility to finance an acquisition in September 2005.

Income Tax Expense

Income tax expense was $29.0 million in fiscal 2005, compared to $26.0 million in fiscal 2004. The effective tax rate was 32% both in fiscal 2005 and fiscal 2004.

Net Income

The factors described above resulted in net income of $53.8 million in fiscal 2005, compared to net income of $50.4 million in fiscal 2004.

Results of Operations by Reportable Segment

<u>Professional Technical Services</u>

	Fiscal Year Ended		Change	
	September 30, 2004	September 30, 2005	$	%
	($ in thousands)			
Revenues	$ 1,777,718	$ 2,082,618	$ 304,900	17.2%
Net service revenues	$ 1,198,354	$ 1,415,450	$ 217,096	18.1%
Cost of net service revenues	636,962	753,231	116,269	18.3%
Gross profit	$ 561,392	$ 662,219	$ 100,827	18.0%

The following table presents the percentage relationship of certain items to revenue, net of subcontractor costs:

	Fiscal Year Ended September 30, 2004	Fiscal Year Ended September 30, 2005
Net service revenues	100.0%	100.0%
Cost of net service revenues	53.2	53.2
Gross profit	46.8%	46.8%

Revenues

Revenues in the PTS Segment were $2.1 billion in fiscal 2005, an increase of $304.9 million, or 17.2%, over fiscal 2004. Of this increase, $210.2 million was provided by companies acquired in the past twelve months. Excluding revenues of companies acquired in the past 12 months, PTS's revenues increased $94.7 million, or 5.3% over fiscal 2004. PTS experienced growth throughout most of its business areas, offset by decreases in state and local government spending due to continuing budget deficits.

Net Service Revenues

Net service revenues for PTS was $1.4 billion in fiscal 2005, an increase of $217.1 million, or 18.1%, over fiscal 2004. Of this increase, $147.6 million was provided by companies acquired in the past 12 months. Excluding net service revenues of companies acquired in the past 12 months, PTS' net service revenues increased $69.5 million, or 5.8% over fiscal 2004. Net service revenues increased at a higher rate as compared to gross revenues due to the inclusion of lower pass-through costs to subcontractors included in gross revenues.

Cost of Net Service Revenues

The cost of net service revenues for PTS was $753.2 million in fiscal 2005, an increase of $116.3 million, or 18.3%, over fiscal 2004. Of this increase, $74.6 million was incurred by companies acquired in

the past 12 months. Excluding cost of net service revenues from companies acquired in the past 12 months, PTS' cost of net service revenues increased $41.7 million, or 6.5%, over fiscal 2004.

Gross Profit

Gross profit for PTS was $662.2 million in fiscal 2005, an increase of $100.8 million, or 18.0% over fiscal 2004. Of this increase, $73.0 was provided by companies acquired in the past 12 months. Excluding gross profit provided by companies acquired in the past 12 months, PTS' gross profit increased $27.8 million, or 5.0%, over fiscal 2004. As a percentage of net service revenue, gross profit was 46.8% in fiscal 2005 and fiscal 2004.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures for PTS was $2.4 million in fiscal 2005, a decrease of $0.2 million, or 6.6%, over fiscal 2004.

<u>Management Support Services</u>

	Fiscal Year Ended September 30, 2004	Fiscal Year Ended September 30, 2005	Change $	Change %
	($ in thousands)			
Revenues	$ 232,143	$ 309,053	$ 76,910	33.1%
Net service revenues	$ 35,785	$ 42,977	$ 7,192	20.1%
Cost of net service revenues	29,399	29,010	(389)	(1.3)%
Gross profit	$ 6,386	$ 13,967	$ 7,581	118.7%

The following table presents the percentage relationship of certain items to revenue, net of subcontractor costs:

	Fiscal Year Ended September 30, 2004	Fiscal Year Ended September 30, 2005
Net service revenues	100.0%	100.0%
Cost of net service revenues	82.2	67.5
Gross profit	17.8%	32.5%

Revenues

Revenues in the MSS segment were $309.1 million in fiscal 2005, an increase of $76.9 million, or 33.1%, over fiscal 2004, none of which was provided by companies acquired in the past 12 months. The increase in MSS revenues resulted from increased revenues in operations and maintenance services for the U.S. military that was associated with the continued high level of activities in the Middle East in addition to increased revenues from our U.S. installation operation services.

Net Service Revenues

Net service revenues for MSS were $43.0 million in fiscal 2005, an increase of $7.2 million, or 20.1%, over fiscal 2004.

Cost of Net Service Revenues

The cost of net service revenues for MSS was $29.0 million in fiscal 2005, a decrease of $0.4 million, or 1.3% over fiscal 2004. This decrease in costs was primarily attributable to an increase in higher margin contracts for support service. The support contracts generally carry higher margins than operation and maintenance and field-based services contracts.

Gross Profit

Gross profit for MSS was $14.0 million in fiscal 2005, an increase of $7.6 million, or 118.7%, over fiscal 2004. As a percentage of net service revenue, gross profit was 32.5% in fiscal 2005 as compared to 17.8% in fiscal 2004.

Seasonality

We experience seasonal trends in our business. Our revenues are typically lower in the first quarter of our fiscal year, primarily due to lower utilization rates attributable to holidays recognized around the world. Our revenues are typically higher in the last half of the year. Many U.S. state governments with fiscal years ending on June 30 tend to accelerate spending during their first quarter, when new funding becomes available. In addition, we find that the U.S Federal government tends to authorize more work during the period preceding the end of its fiscal year, September 30. Further, our construction management revenue typically increases during the high construction season of the summer months. For these reasons coupled with the number and significance of client contracts commenced and completed during a period as well as the time of expenses incurred for corporate initiatives, it is not unusual for us to experience seasonal changes or fluctuations in our quarterly operating results.

Quarterly Results of Operations

The following table shows, for the periods indicated, unaudited selected quarterly financial data from our consolidated statements of income modified to display the effect of the non-GAAP measure net service revenues in which our management uses to analyze our results of operations (see "Components of Income and Expense" contained earlier in this discussion). We believe this data includes all adjustments, consisting only of normal recurring adjustments that are necessary for a fair presentation of the results of operations for these periods. The unaudited selected quarterly financial data below should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this registration statement. Our operating results in any one quarter are not necessarily indicative of the results that may be expected for any future period.

Fiscal Year 2006:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands)			
Revenues	$ 746,797	$ 858,930	$ 911,486	$ 904,279
Other direct costs	331,450	369,089	417,057	404,179
Net service revenues	415,347	489,841	494,429	500,100
Cost of net service revenues	215,308	260,818	261,524	256,259
Gross profit	200,039	229,023	232,905	243,841
Equity in earnings of joint ventures	1,670	893	1,554	2,437
General and administrative expenses	176,983	204,838	209,340	217,792
Income from operations	24,726	25,078	25,119	28,486
Minority interest in share of earnings	1,951	3,530	3,022	5,421
Interest expense—net	3,723	4,067	2,528	258
Income before income tax expense	19,052	17,481	19,569	22,807
Income tax expense	6,097	5,594	6,262	7,270
Net income	$ 12,955	$ 11,887	$ 13,307	$ 15,537

Fiscal Year 2005:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands)			
Revenues	$ 531,064	$ 579,507	$ 624,931	$ 659,838
Other direct costs	205,983	214,702	247,920	264,192
Net service revenues	325,081	364,805	377,011	395,646
Cost of net service revenues	175,315	197,532	203,515	208,704
Gross profit	149,766	167,273	173,496	186,942
Equity in earnings of joint ventures	763	223	130	1,236
General and administrative expenses	130,090	146,695	149,559	155,185
Income from operations	20,439	20,801	24,067	32,993
Minority interest in share of earnings	1,465	2,504	2,329	2,155
Interest expense—net	1,763	2,286	1,366	1,639
Income before income tax expense	17,211	16,011	20,372	29,199
Income tax expense	6,023	5,604	7,130	10,222
Net income	$ 11,188	$ 10,407	$ 13,242	$ 18,977

Liquidity and Capital Resources

Cash Flows

We have historically relied on cash flow from operations, proceeds from sales of stock (both to employees and to institutional investors) and borrowings under debt facilities to satisfy our working capital requirements as well as to fund share repurchases and mergers and acquisitions. In the future, we may need to raise additional funds through public and/or private debt or equity financings to take advantage of business opportunities, including existing business growth and mergers and acquisitions.

At December 31, 2006, cash and cash equivalents was $137.8 million, an increase of $9.9 million, or 7.7%, from September 30, 2006. This increase was primarily attributable to higher cash balances held in consolidated joint ventures.

Net cash provided by operating activities was $43.7 million for the three months ended December 31, 2006, an increase of $62.2 million from the net cash used in operating activities of $18.6 million for the three months ended December 31, 2005. The increase was primarily attributable to higher collections of accounts receivable in both of our operating segments, advanced billings to clients in our MSS operating segment and lower income tax payments.

Net cash provided by operating activities was $121.3 million for the year ended September 30, 2006, an increase of $74.7 million from the net cash provided by operating activities of $46.6 million for the year ended September 30, 2005. The increase was primarily attributable to a more efficient use of working capital as well as higher earnings before non-cash expenses.

Net cash used in investing activities was $4.6 million for the three months ended December 31, 2006, a decrease of $36.2 million from the net cash used in investing activities of $40.9 million in the three months ended December 31, 2005. For the three months ended December 31, 2006, net cash used in business combinations was $6.2 million as compared to $34.1 million used in business combinations for the comparable period last year, primarily a result of cash used to facilitate the EDAW merger.

Net cash used in investing activities was $71.8 million for the year ended September 30, 2006, a decrease of $65.2 million from the net cash used in investing activities of $137.0 million in the year ended September 30, 2005. For the year ended September 30, 2006, net cash used in business combinations was $53.3 million as compared to $158.9 million used in business combinations for the prior fiscal year. We continue to invest in our initiative to re-design our business processes and to implement a global enterprise resource planning (ERP) system. In fiscal 2006, we capitalized $6.7 million in costs associated with our ERP system, as compared to $10.8 million in fiscal 2005. For the year ended September 30, 2006, proceeds from the sale of property and equipment totaled $21.3 million as compared to $0.8 million in the prior fiscal year. This increase was primarily related to the sale of an office building in Orange, California.

Net cash used in financing activities was $29.8 million, for the three months ended December 31, 2006, a decrease of $102.6 million from cash provided by financing activities of $72.8 million in the comparable period last year, primarily as a result of lesser borrowings to facilitate mergers and acquisitions due to strong cash flow provided from operations.

Net cash provided by financing activities was $23.8 million for the year ended September 30, 2006, as compared to net cash provided by financing activities of $84.1 million in the year ended September 30, 2005. In fiscal 2006, net cash provided by financing activities was largely the result of proceeds from the sale of our stock, notably the Class F and Class G convertible preferred stock, offset by the redemption of our Class D convertible preferred stock and related warrants and net repayments of borrowings under our credit agreements.

Working Capital

Working capital, or current assets less current liabilities, decreased $23.2 million, or 11.5%, from $201.3 million at September 30, 2006 to $178.1 million at December 31, 2006 largely as a result of greater scheduled amortization of senior notes and increases in taxes payable. Working capital increased $30.7 million, or 18.0%, from $170.6 million at September 30, 2005 to $201.3 million at September 30, 2006 largely as a result of merger and acquisition activity as well as strong revenue growth. Net accounts receivable which includes billed and unbilled costs and fees, net of billings in excess of costs on uncompleted contracts, decreased $9.0 million, or 1.2% to $760.9 million at December 30, 2006 from $769.9 million at September 30, 2006. Net accounts receivable increased $188.9 million, or 32.5% to $769.9 million at September 30, 2006 from $581.0 million at September 30, 2005. For the same period, annual revenues increased at a notably higher level of $1.0 billion, or 43.1%, from $2.4 billion to $3.4 billion.

Because our revenues depend to a great extent on billable labor hours, most of our charges are invoiced following the end of the month in which the hours were worked, the majority usually within 15 days. Other direct costs are normally billed along with labor hours. However, as opposed to salary costs, which are generally paid on either a bi-weekly or monthly basis, other direct costs are generally not paid until we receive payment (in some cases in the form of advances) from our customer.

Borrowings and Lines of Credit

At September 30, 2006 and December 31, 2006, our long-term obligations consisted of the following:

	September 30, 2006	December 31, 2006
	(in thousands)	
Amended and Restated Credit Agreement	$ —	$ —
Term Credit Agreement	65,000	57,000
Senior Notes	68,810	68,810
Bank Overdraft Facilities	2,716	5,895
Other Debt	929	1,931
Total long-term obligations	137,455	133,636
Less: Current portion of long-term obligations	(14,665)	(29,521)
Long-term obligations, less current portion	$ 122,790	$ 104,115

Amended and Restated Credit Agreement

We have an unsecured senior credit agreement with a syndicate of banks to support our working capital needs. On September 22, 2006, this facility was extended to March 31, 2011. The facility consists of a revolving line of credit in the amount of $300.0 million which includes a sub-limit for standby letters of credit of $50.0 million. We may borrow, at our option, at either (a) a base rate (the greater of the Federal Funds rate plus 0.50% or the bank's reference rate) plus a margin which ranges from 0.00% to 0.25%, or (b) an offshore, or LIBOR, rate plus a margin which ranges from 0.75% to 1.75%, depending on our leverage ratio. In addition to these borrowing rates, there is a commitment fee which ranges from 0.175% to 0.375% on any unused commitment. Borrowings under the credit facility are limited by certain affirmative and negative financial covenants, which include maximum leverage restrictions, minimum fixed charge coverage and minimum net worth maintenance. At September 30, 2006 and December 31, 2006, there were no borrowings under the credit facility. At September 30, 2006 and December 31, 2006, outstanding standby letters of credit totaled $23.1 million and $23.9 million, respectively. At December 31, 2006, we had $276.1 million available for borrowing under the credit facility.

Term Credit Agreement

On September 22, 2006, certain of our wholly-owned subsidiaries closed an unsecured term credit agreement with a syndicate of banks to facilitate dividend repatriations under favorable tax terms. The term credit agreement provided for a $65.0 million, five-year term loan among four subsidiary borrowers and one subsidiary guarantor. In order to obtain more favorable pricing and other terms, we also provided a parent company guarantee. The terms and conditions of this agreement are substantially similar to those contained in our senior unsecured credit facility. Principal payments are scheduled to begin June 30, 2007, or earlier at the borrowers' discretion. At December 31, 2006, borrowings under this term credit agreement totaled $57.0 million.

Senior Notes

June 2008 Notes: On June 9, 1998, we issued $60.0 million of 6.93% senior notes due June 9, 2008. The June 2008 Notes are unsecured and have an average life of seven years. The annual principal payments of $8.6 million began June 9, 2002.

October 2008 Notes: On September 9, 2002, we issued $25.0 million of 6.23% senior notes due October 15, 2008. The October 2008 Notes are unsecured and have an average life of five years. The annual principal payments of $8.3 million were scheduled to begin October 15, 2006; however, we elected to pre-pay the first principal payment in September 2006.

April 2012 Notes: On April 14, 2000, we issued $35.0 million of 8.38% senior notes due April 14, 2012. The April 2012 Notes are unsecured and have an average life of 10 years. The annual principal payments of $7.0 million are scheduled to begin April 14, 2008.

All of the senior notes require interest to be paid either quarterly or semi-annually in arrears. The senior notes are also limited by certain affirmative and negative financial covenants, which include maximum leverage restrictions, minimum fixed charge coverage, minimum interest charge coverage and minimum net worth maintenance. Proceeds from the June 2008 Notes and the October 2008 Notes were used to repay revolving credit debt while proceeds of the April 2012 Notes were used to fund business acquisitions.

Bank Overdrafts and Other Debt

At December, 31, 2006, we had three non-U.S. credit facilities used to cover periodic overdrafts and to issue letters of credit in the aggregate amount of $41.0 million.

Further, at December 31, 2006, we had outstanding promissory notes of $0.9 million to former shareholders of Oscar Faber, predecessor to Faber Maunsell. These promissory notes have maturities ranging from January 2006 to April 2010.

Preferred Stock

In February 2006, we closed a $235.0 million private placement of our Class F and Class G convertible preferred stock. In connection with the private placement, we redeemed all outstanding shares of our Class D convertible preferred stock and repurchased associated warrants to purchase common stock. Approximately $114.7 million of the $231.2 million in net proceeds was used to repay indebtedness under our senior credit facility and approximately $116.5 million was used to redeem the Class D preferred and associated warrants. The terms of the Class D convertible preferred stock contained a 7% annual dividend whereas the terms of the Class F and Class G do not require annual dividend payments.

The Class F and Class G convertible preferred stock is redeemable on the earlier of February 9, 2012 or the date on which we sell substantially all of our assets and has other rights, privileges and preferences. See "Description of Capital Stock, Certificate of Incorporation and Bylaws" for a summary of the terms of the Class F and Class G convertible preferred stock.

Commitments and Contingencies

Other than normal property and equipment additions and replacements, expenditures to further the implementation of our ERP system, commitments under our incentive compensation programs, repurchases of shares of our common stock, and acquisitions from time to time, we currently do not have any significant capital expenditures or outlays planned except as described below. However, if we acquire any additional businesses in the future or embark on other capital-intensive initiatives, additional working capital may be required.

In July 2006, we entered into an agreement to acquire an interest in Shanghai Tunnel Engineering Co., Ltd., or STEC. STEC is a Shanghai, China-based design, engineering and construction firm which specializes in transportation design. The agreement is subject to Chinese government regulatory approval and other conditions. If we receive regulatory approval and satisfy all closing conditions, the purchase would be valued at approximately 328.0 million Chinese renminbi, or approximately $42.0 million, based upon indicative exchange rates as of the date of this registration statement. As of the date of this registration statement, we have not funded the STEC investment.

As of December 31, 2006, there was approximately $44.6 million outstanding under standby letters of credit issued primarily in connection with general and professional liability insurance programs and for

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contract performance guarantees. In addition, in some instances we guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards.

At September 30, 2006, our defined benefit pension plans with benefit obligations in excess of plan assets had an aggregate deficit (where the projected benefit obligation exceeded the fair value of plan assets) of $117.2 million. At that same time, the excess of projected benefit obligations over fair value of plan assets was $84.8 million. See Note 10 to the Notes to Consolidated Financial Statements contained elsewhere in this registration statement. In the future, such pension under-funding may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors.

Contractual Commitments

The following summarizes our contractual obligations and commercial commitments as of September 30, 2006:

Contractual Obligations and Commitments	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
			(in thousands)		
Long-term debt (including accrued interest)	$ 137,455	$ 14,665	$ 56,290	$ 59,500	$ 7,000
Operating leases	446,631	87,163	131,976	90,089	137,403
Capital leases	1,620	1,215	405	—	—
Interest	14,283	5,679	6,258	2,346	—
Pension obligations(1)	214,006	14,396	36,770	40,010	122,830
Total Contractual Obligations and Commitments	$ 813,995	$ 123,118	$ 231,699	$ 191,945	$ 267,233

(1) Retirement and retirement plan related obligations noted under the heading "More than Five Years" are presented for the years 2012-2016.

We believe that our cash generated from operations and amounts that we expect to be available for borrowing under credit facilities will be sufficient to meet our capital requirements, including our commitments and contingencies, for at least the next 12 months.

Recently Issued Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 158, *"Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans"* (SFAS 158). SFAS 158 requires employers to fully recognize the obligations associated with single-employer defined benefit pension, retiree healthcare and other post-retirement plans in their financial statements. We will be subject to the disclosure and recognition provisions of SFAS 158 in fiscal years beginning October 1, 2006 and 2007, respectively. We are currently evaluating the impact of the provisions of SFAS 158 on our results of operations and financial position.

In September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements"* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The provisions of SFAS 157 will be effective for us in our fiscal year beginning October 1, 2008. We are currently evaluating the impact of the provisions of SFAS 157.

In June 2006, the FASB issued FASB Interpretation, or FIN, No. 48, "*Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109*" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. FIN 48 prescribes that a company should use a "more-likely-than-not" recognition threshold based on the technical merits of the

tax position taken. Additionally, FIN 48 provides guidance on recognition or de-recognition of interest and penalties, changes in judgment in interim periods, and disclosures of uncertain tax positions. FIN 48 became effective for us in our fiscal year beginning October 1, 2007. We are currently in the process of determining the effect of the adoption of FIN 48 on our results of operations and financial position.

In May 2005, the FASB issued SFAS No. 154, *"Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and FASB Statement No. 3"* (SFAS 154), which applies to all voluntary changes in accounting principles, as well as to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. APB Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized in net income as a cumulative effect of changing to the new accounting principle. SFAS 154 now requires retrospective application to prior periods' financial statements for changes in accounting principle, unless it is impracticable to do so. SFAS 154 became effective for us in our fiscal year beginning October 1, 2006. We currently do not anticipate any voluntary changes in accounting principle or errors that would require such retroactive application.

In April 2006, the FASB issued FASB Staff Position No. FIN 46(R)-6, *"Determining the Variability to Be Considered in Applying FASB Interpretation No. 46(R)"* (FSP FIN 46(R)-6), which addresses how a reporting enterprise should determine the variability to be considered in applying FIN No. 46 (revised December 2003), *"Consolidation of Variable Interest Entities,"* or FIN 46(R). The variability that is considered in applying FIN 46(R) affects the determination of (a) whether the entity is a variable interest entity, (b) which interests are variable interests in the entity and (c) which party, if any, is the primary beneficiary of the variable interest entity. That variability will affect any calculation of expected losses and expected residual returns, if such a calculation is necessary. FSP FIN 46(R)-6 provides additional guidance to consider for determining variability. FSP FIN 46(R)-6 is effective for us beginning the first day of our fiscal quarter beginning July 1, 2006. We are currently evaluating the impact of the provisions of FSP FIN 46(R)-6 on our results of operations and financial position.

Financial Market Risks

We are exposed to market risk, primarily related to foreign currency exchange rates and interest rate exposure of our debt obligations that bear interest based on floating rates. We actively monitor these exposures. To reduce our exposure to market risk, we have entered into derivative financial instruments such as forward contracts or interest rate hedge contracts. Our objective is to reduce, where we deem appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign exchange rates and interest rates. It is our policy and practice to use derivative financial instruments only to the extent necessary to manage our exposures. We do not use derivative financial instruments for speculative purposes. We currently have no material derivative instruments outstanding.

Foreign Exchange Rate

We are exposed to foreign currency exchange rate risk resulting from our operations outside of the United States. We do not comprehensively hedge our exposure to currency rate changes; however, we limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments to be in currencies corresponding to the currency in which costs are incurred. As a result, we typically do not need to hedge foreign currency cash flows for contract work performed. The functional currency of all significant foreign operations is the local currency.

Interest Rates

Our senior revolving credit facility and certain other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of September 30, 2005,

September 30, 2006 and December 31, 2006, we had $130.0 million, $0.0 and $0.0 million, respectively, outstanding in borrowings under our credit facility. Interest on amounts borrowed under the credit facility is subject to adjustment based on certain levels of financial performance. For borrowings at offshore rates, the applicable margin added can range from 0.75% to 1.75%. For fiscal 2006, our weighted average borrowings on our senior credit facility were $132.8 million. If short term floating interest rates were to increase or decrease by 1%, our annual interest expense could have increased or decreased by $1.3 million. For the three months ended December 31, 2006, our weighted average borrowings under our senior credit facility were $0.0. We invest our cash in money market securities or other high quality, short-term securities that are subject to minimal credit and market risk.

We have selectively managed our floating interest rate exposure through the use of derivative instruments. In October 2005, we entered into two floating-to-fixed interest rate hedge contracts. From the inception through our voluntary early termination, the interest rate hedges were effective. Upon our termination of these contracts in our fourth quarter of fiscal 2006, we received a net cash settlement of approximately $1.1 million.

Subsequent Event

As of February 20, 2007, all of our outstanding loans previously made to certain directors and senior officers under our Senior Executive Equity Investment Plan, or SEEIP, to fund purchases of Company stock were terminated and repaid.

ITEM 3. PROPERTIES

Our corporate offices are located in approximately 72,000 square feet of space at 555 and 515 South Flower Street, Los Angeles, California. Our other offices consist of an aggregate of approximately 3.8 million square feet worldwide. We also maintain smaller administrative or project offices. Virtually all of our offices are leased. See Note 12 of the notes to our consolidated financial statements for information regarding our lease obligations. We believe our current properties are adequate for our business operations and are not currently underutilized. We may add additional facilities from time to time in the future as the need arises.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our voting stock, which consists of common stock, convertible preferred stock, Class C preferred stock, Class F preferred stock and Class G preferred stock, as of December 31, 2006 with respect to:

- each person or group of affiliated persons known by us to own beneficially more than 5% of the outstanding shares of each class of stock;
- each of our directors;
- each Named Executive Officer listed in the Summary Compensation Table in Item 6 of this Registration Statement; and
- all directors and executive officers as a group.

Except as otherwise indicated in the footnotes to the table, each stockholder has sole voting and investment power with respect to the shares beneficially owned by such stockholder. Unless otherwise noted, the address for each stockholder is AECOM Technology Corporation, 555 South Flower Street, Suite 3700, Los Angeles, California 90071.

	Common Stock		Convertible Preferred Stock(1)		Class C Preferred Stock(2)		Class F Preferred Stock(3)		Class G Preferred Stock(3)		Percent of Total Voting Power
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	%
5% or more stockholders											
U.S. Trust Company N.A.(4)	10,975,914	34.37%	55,938	100%	54.317	100%					29.86%
Halifax EES Trustees International(5) P.O. Box 827 Queensway House Hilgrove Street St. Helier Jersey JE4 OUB	3,521,637	11.03%									9.43%
CalPERS/PCG Corporate Partners LLC(6) 1200 Prospect, Ste. 200 La Jolla, CA 92037							7,000	14.89%	7,000	14.89%	3.74%
GSO Capital Partners LP(7) 280 Park Avenue 11th Floor East Tower New York, NY 10017							40,000	85.11%			10.68%
J.H Whitney VI, L.P.(8) 130 Main Street New Canaan, CT 06901									40,000	85.11%	10.68%
Directors and Named Executive Officers											
John M. Dionisio(9)	450,747	1.41%	—	—	1.235	2.25%	—	—	—	—	1.56%
Richard G. Newman(10)	1,299,631	4.07%	—	—	5.156	9.49%	—	—	—	—	4.78%
James R. Royer(11)	336,160	1.05%	—	—	1.649	3.04%	—	—	—	—	1.34%
Michael S. Burke(12)	51,274	*	—	—	0.245	*	—	—	—	—	*
Francis S.Y. Bong(13)	783,674	2.45%	—	—	—	—	—	—	—	—	2.09%
Glenn R. Robson(14)	96,196	*	—	—	0.275	*	—	—	—	—	*
H. Frederick Christie(15)	32,600	*	—	—	0.240	*	—	—	—	—	*
James H. Fordyce(16)	—	—	—	—	—	—	—	—	40,000	85.11%	10.68%
S. Malcolm Gillis(17)	20,980	*	—	—	0.159	*	—	—	—	—	*
Linda Griego(18)	10,000	*	—	—	0.037	*	—	—	—	—	*
Robert J. Lowe(19)	32,600	*	—	—	0.272	*	—	—	—	—	*

William G. Ouchi(20)	43,000	*	—	—	0.045	*	—	—	—	—	*
William P. Rutledge(21)	25,884	*	—	—	0.268	*	—	—	—	—	*
Lee D. Stern	—	—	—	—	—	—	—	—	—	—	—
All directors and executive officers as a group (16 persons) (22)	3,991,461	12.50%	—	—	12.547	23.10%	—	—	—	—	13.46%

* designates less than 1%

(1) Our convertible preferred stock is entitled to vote on all matters submitted to the holders of our common stock. Our convertible preferred stock may be converted into our common stock at the option of the holder after the holder has held such stock for at least one year and only on January 1, April 1, July 1 or October 1 of each year.

(2) Class C preferred stock is entitled to 100,000 votes per share and is not convertible into our common stock. Our Class C preferred stock is entitled to vote on all matters submitted to the holders of our common stock.

(3) Our Class F and Class G convertible preferred stock is entitled to vote on all matters submitted to the holders of common stock on an as converted basis and also has special class voting rights upon certain events. Our Class F and Class G convertible preferred stock may be converted into our common stock based on a liquidation preference of $2,500 per share and a conversion price of $25.07 per share, subject to certain anti-dilution adjustments.

(4) U.S. Trust Company N.A. acts as trustee with respect to our Retirement & Savings Plan and our Stock Purchase Plan. The number of common shares and convertible preferred shares listed above constitutes shares held as trustee under our Retirement & Savings Plan. The number of common shares does not include the number of shares issuable upon conversion of convertible preferred shares, which are listed in a separate column. The number of Class C preferred shares listed above constitute shares held as trustee of the Stock Purchase Plan. Shares held by U.S. Trust Company N.A. as trustee of the Stock Purchase Plan are voted solely by U.S. Trust Company N.A.

(5) Constitutes shares held by AECOM Global Holdings, Ltd. for the benefit of certain non-U.S. employees who participate in our Global Stock Program where Halifax EES Trustees International acts as trustee with respect to our Global Stock Plan.

(6) CalPERS/PCG Corporate Partners, LLC is a Delaware limited liability company, whose manager is PCG Corporate Partners Investments LLC. PCG Corporate Partners Investments LLC is wholly owned by Pacific Corporate Group LLC, a Delaware limited liability company. Pacific Corporate Group LLC is wholly owned by Pacific Corporate Group Holdings, LLC, a Delaware limited liability company. Pacific Corporate Group Holdings, LLC is owned by Christopher J. Bower, Timothy Kelleher, Monte Brem, Stephen Moseley, Tara Blackburn, Douglas Meltzer and Pacific Corporate Group Holdings, Inc., which is in turn wholly owned by Christopher J. Bower. Each of PCG Corporate Partners Investments LLC, Pacific Corporate Group LLC, Pacific Corporate Group Holdings, LLC, Christopher J. Bower, Timothy Kelleher, Monte Brem, Stephen Moseley, Tara Blackburn, Douglas Meltzer and Pacific Corporate Group Holdings, Inc. disclaims beneficial ownership of any securities.

(7) GSO Capital Partners LP is the beneficial owner of 40,000 shares of Class F preferred stock. GSO Capital Partners LP is the investment manager for each of GSO Credit Opportunities Fund (Helios), L.P. (''GSO Helios''), GSO Special Situations Overseas Benefit Plan Fund Ltd. (''GSO Overseas Benefit''), GSO Special Situations Overseas Fund Ltd. (''GSO Overseas'') and GSO Special Situations Fund LP (''GSO SS'' and, together with GSO Helios, GSO Overseas Benefit and GSO Overseas, the ''GSO Funds''). Each of GSO Helios (12,945.59504 shares), GSO Overseas Benefit (1,034.176356 shares), GSO Overseas (12,591.0779 shares) and GSO SS (13,429.1507 shares) are the holders of record of our Class F Preferred Stock. As investment manager of the GSO Funds, GSO Capital Partners LP is vested with investment discretion with respect to investments held by the GSO Funds. GSO LLC (''GSO General Partner'') is the general partner of GSO Capital Partners LP, and in that capacity, directs the operations of GSO Capital Partners LP. Bennett J. Goodman (''Mr. Goodman''), J. Albert Smith III (''Mr. Smith'') and Douglas I. Ostrover (''Mr. Ostrover'' and together with Mr. Goodman and Mr. Smith, the ''GSO Managing Members'') are the managing members of the General Partner, and in that capacity, direct the General Partner's operations. Each of the GSO Funds, GSO Capital Partners LP, General Partner and the Managing Members (collectively, the ''GSO Persons'') may be deemed a beneficial owners of Class F Preferred Stock. However, the foregoing should not be deemed to constitute an admission that any of the GSO Persons are the beneficial owners of any of Class F Preferred Stock owned by the GSO Funds.

(8) J.H. Whitney VI, L.P.'s general partner is J.H. Whitney Equity Partners VI, LLC.

(9) Common stock includes 225,000 shares subject to options exercisable prior to March 1, 2007.

(10) Common stock includes 650,000 shares subject to options exercisable prior to March 1, 2007.

(11) Common stock includes 115,000 shares subject to options exercisable prior to March 1, 2007.

(12) Common stock includes 10,000 shares subject to options exercisable prior to March 1, 2007.

(13) Common stock includes 100,000 shares subject to options exercisable prior to March 1, 2007.

(14) Common stock includes 70,000 shares subject to options exercisable prior to March 1, 2007.

(15) Common stock includes 26,100 shares subject to options exercisable prior to March 1, 2007.

(16) Securities owned by J.H. Whitney VI, L.P. (JHW VI). Mr. Fordyce is a managing member of J.H. Whitney Equity Partners VI, LLC, the general partner of JHW VI, and has an interest in a limited partner of JHW VI. Mr. Fordyce may be deemed to share voting and dispositive power with respect to such securities. Mr. Fordyce disclaims beneficial ownership of such securities except to the extent of his proportionate interest.

(17) Common Stock includes 18,600 shares subject to options exercisable prior to March 1, 2007.

(18) Common Stock includes 10,000 shares subject to options exercisable prior to March 1, 2007.

(19) Common Stock includes 26,100 shares subject to options exercisable prior to March 1, 2007.

(20) Common Stock includes 18,000 shares subject to options exercisable prior to March 1, 2007.

(21) Common Stock includes 23,100 shares subject to options exercisable prior to March 1, 2007.

(22) See footnotes (9) through (21) above.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Directors and Management

The names, ages and positions of our directors and executive officers are as follows:

Name	Age(1)	Position
John M. Dionisio	58	Director, President and Chief Executive Officer
Richard G. Newman	72	Director, Chairman
Francis S. Y. Bong	64	Director, Chairman Asia
H. Frederick Christie	73	Director
James H. Fordyce	47	Director
S. Malcolm Gillis	66	Director
Linda Griego	59	Director
Robert J. Lowe	66	Director
William G. Ouchi	63	Director
William P. Rutledge	64	Director
Lee D. Stern	55	Director
James R. Royer	60	Executive Vice President and Chief Operating Officer
Michael S. Burke	43	Executive Vice President, Chief Corporate Officer and Chief Financial Officer
Glenn R. Robson	44	Senior Vice President and Chief Strategy Officer
Raymond W. Holdsworth	63	Vice Chairman, Corporate Development
David N. Odgers	64	Vice Chairman, Professional Development

(1) All ages are as of January 1, 2007

John M. Dionisio was appointed our President and Chief Executive Officer on October 1, 2005 and was elected to our Board of Directors in December 2005. From October 2003 to October 2005, Mr. Dionisio served as our Executive Vice President and Chief Operating Officer. From October 2000 to October 2003, Mr. Dionisio served as President and Chief Executive Officer of our subsidiary, DMJM+Harris. Mr. Dionisio joined Frederic R. Harris, Inc., in 1971, predecessor company to DMJM+Harris where he served in many capacities, including Chief Executive Officer from October 1999 to October 2003, President from July 1996 to October 1999, Executive Vice President in charge of all U.S. operations from 1993 to 1996 and Manager of the New York Operations and Northern Region Manager from 1992 to 1993.

Richard G. Newman has been a member of our Board of Directors since May 1990 and currently is our Chairman. Mr. Newman was our President until 1993, and then Chairman, President and Chief Executive Officer from May 1993 to October 2000 and Chairman and CEO from 2000 to 2005. He served as a director of Ashland Technology Corporation from February 1989 until it became AECOM in April 1990. Mr. Newman was also President of Ashland Technology, which later became AECOM, from December 1988 until May 1990. Previously, he was President and Chief Operating Officer of Daniel, Mann, Johnson & Mendenhall from October 1985 to December 1988 and a Corporate Vice President or Vice President of DMJM from 1977 to 1985. Mr. Newman is also a director of Southwest Water Company, Sempra Energy Company and 14 mutual funds affiliated with Capital Research and Management Company.

Francis S. Y. Bong was named to our Board of Directors after our merger with Maunsell in May 2000. He serves as Chairman for our operations in Asia. Prior to our merger with Maunsell, Mr. Bong was Chairman and Chief Executive of Maunsell Consultants Asia Holding Ltd. from 1997 to 2000 and served as Managing Director of the same firm from 1987 to 1996. Mr. Bong started with Maunsell in 1975. Mr. Bong also serves on the Board of Directors of Cosmopolitan International Holdings Ltd. as a non-executive director.

H. Frederick Christie was named to our Board of Directors in August 1990. From 1987 until his retirement in 1989, Mr. Christie served as President and Chief Executive Officer of The Mission Group, where he was responsible for all of the non-utility subsidiaries of SCEcorp., the parent company of Southern California Edison Company. Mr. Christie served as President and as a director of Southern California Edison Company from November 1984 until September 1987 after having previously served as Executive Vice President and Chief Financial Officer. He is also a member of the Board of Directors of IHOP Corp., Southwest Water Company, Ducommun Incorporated, and 21 mutual funds affiliated with Capital Research and Management Company.

James H. Fordyce was named to our Board of Directors in February 2006. Mr. Fordyce is a Managing Director with J.H. Whitney Capital Partners, LLC, a private investment firm. He has been with J.H. Whitney since July 1996. Mr. Fordyce began his career at Chemical Bank in 1981, where he spent eight years primarily in their leveraged buyout group before then joining Heller Financial, Inc. as a Senior Vice President where he spent his time investing both debt and equity. Mr. Fordyce is currently a director of several privately-held companies.

S. Malcolm Gillis was named to our Board of Directors in January 1998. From July 2004 to present, Dr. Gillis has been a University Professor at Rice University. Dr. Gillis served as President of Rice University from July 1993 to June 2004. Before assuming the presidency of Rice, Dr. Gillis was a professor at Duke University from 1984 to 1993, where he served as Dean of the Faculty of Arts and Sciences from 1991 to 1993. He was at Harvard University from 1969 to 1984, where he did extensive teaching and consulting in the area of international economics, with particular emphasis on Latin America and Asia, working with heads of state on economic policy issues. Dr. Gillis was a director of the Federal Reserve Bank of Dallas from 1998 to 2004. Dr. Gillis is a member of the board of directors of Halliburton Company, Electronic Data Systems Corporation, Introgen Therapeutics, Inc. and Service Corporation International. Dr. Gillis also serves on the boards of various educational and charitable organizations and government commissions and committees.

Linda Griego was named to our Board of Directors in June 2005. Ms. Griego has served as President and Chief Executive Officer of Griego Enterprises, Inc. since 1985 and is also Managing General Partner of Engine Co. No. 28, a restaurant that she founded in 1988. From July 1999 until January 2000, Ms. Griego served as interim President and Chief Executive Officer of the Los Angeles Community Development Bank. She is currently a director of Granite Construction Incorporated, City National Bank and Southwest Water Company. Ms. Griego has also served as a Los Angeles branch director of the Federal Reserve Bank of San Francisco.

Robert J. Lowe was named to our Board of Directors in February 1993. Mr. Lowe is Chairman and Chief Executive Officer of Lowe Enterprises, Inc. and its affiliated companies. He was the principal founding shareholder in 1972 of the corporation that became Lowe Enterprises, Inc. Mr. Lowe also serves on the Board of Claremont McKenna College and on the boards of various charitable organizations and government commissions and committees.

William G. Ouchi joined our Board of Directors in May 2003. Dr. Ouchi is the Sanford and Betty Sigoloff Distinguished Professor in Corporate Renewal in the Anderson School of Management at the University of California, Los Angeles. He has been on the faculty of UCLA since 1979. Dr. Ouchi is a director of Sempra Energy, FirstFed Financial Corp. and the Conrad N. Hilton Foundation. Dr. Ouchi has also been Vice Dean for Executive Education at UCLA and Chief of Staff for the Mayor of Los Angeles. Dr. Ouchi also serves on the boards of various charitable organizations.

William P. Rutledge was named to our Board of Directors in November 1998. Mr. Rutledge was President and Chief Executive Officer of Allegheny Teledyne, Inc. from August 1996 until his retirement in 1997. Mr. Rutledge serves as Chief Executive Officer of Aquanano, LLC. Mr. Rutledge also serves on the Board of Directors of FirstFed Financial Corp., Communications & Power Industries, Sempra Energy Corporation and the board of trustees of Lafayette College, Saint John's Health Center Foundation and the World Affairs Council of Los Angeles.

Lee D. Stern was named to our Board of Directors in February 2006. Mr. Stern is a Managing Director at GSO Capital Partners LP., an investment advisor managing several private investment funds. Prior to joining GSO, Mr. Stern was the chief transaction officer of Technology Investment Capital Corp. from November 2003 to September 2005 and has over 20 years of financial and investment experience in leveraged finance and in financing technology companies. Prior to Technology Investment Capital Corp., Mr. Stern was with the boutique investment banking firm Hill Street Capital from March 2001 to November 2003. From 1997 to 2000, he was a partner of Thomas Weisel Partners and NationsBanc Montgomery, where he focused on leveraged transactions relating to acquisition finance and leveraged buyouts, including private and public mezzanine finance. From 1993 to 1997, Mr. Stern was a managing director at Nomura Securities International, where he played a key role in building the firm's merchant banking and principal debt investing business. He sat on Nomura Securities International's commitment and underwriting committees. Mr. Stern has also held managing director positions at Kidder, Peabody & Co., Inc. from 1990 to 1992 and Drexel Burnham Lambert from 1985 to 1990.

James R. Royer was appointed Executive Vice President and Chief Operating Officer in October 2005. From October 2004 to October 2005, Mr. Royer was Chief Executive of our Americas Facilities Group, Regional Group and Government Services Group. He was appointed Chairman of the Board of our subsidiary DMJM H&N in February 2002 and Chief Executive Officer in April 2003. Prior to that, he served as Chairman of the Board, President and Chief Executive Officer of our subsidiary TCB INC. from August 1991 to September 2003, and continued in his role as Chief Executive Officer of TCB INC. until October 2004. He was elected President of Turner Collie & Braden Inc. (TCB) in 1987. He served in various senior management positions with TCB, including Vice President from 1982 through 1987. Mr. Royer is a director and former Chairman of the Greater Houston Partnership and is also a member of the board of directors of Memorial Herman Health Care System in Houston.

Michael S. Burke was appointed Executive Vice President and Chief Corporate Officer in May 2006 and was appointed Chief Financial Officer in December 2006. Mr. Burke joined AECOM as Senior Vice President, Corporate Strategy in October 2005. From 1990 to 2005, Mr. Burke was with the accounting firm, KPMG LLP. He served in various senior leadership positions most recently as a Western Area Managing Partner from 2002 to 2005 and was a member of KPMG's Board of Directors from 2000 through 2005. While on the KPMG Board of Directors, Mr. Burke served as the Chairman of the Board Process and Governance Committee and a member of the Audit and Finance Committee. Mr. Burke also serves on various charitable and community boards.

Glenn R. Robson was appointed Senior Vice President and Chief Strategy Officer in December 2006. Mr. Robson joined AECOM in May 2002 as Senior Vice President and Chief Financial Officer. Prior to joining AECOM, Mr. Robson worked at Morgan Stanley & Co. Incorporated for twelve years, where he served most recently as a Managing Director in the investment banking division, and previously as a Principal and Vice President in the corporate finance department. Earlier in his career, Mr. Robson was a Business Analyst with McKinsey & Company.

Raymond W. Holdsworth was appointed Vice Chairman, Corporate Development in October 2005. Prior to this position, Mr. Holdsworth served as our President from March 2000 to October 2005. From January 1999 to March 2000, Mr. Holdsworth was Group Chief Executive for three of AECOM's operating companies. He was President & Chief Executive Officer of DMJM from April 1993 to 1997, and Chairman & Chief Executive Officer from then until January 1999. Mr. Holdsworth served as DMJM's Vice President for Corporate Development from June 1992 to April 1993.

David N. Odgers was appointed Vice Chairman, Professional Development, in October 2005. From October 2005 to September 2006 he was also Chief Executive of our Global Group. From the time of our merger with Maunsell in April 2000 until September 2005, Mr. Odgers was responsible for our operations outside of the Americas. Mr. Odgers was Chief Executive of the Maunsell Group from 1998 until the merger, before which, from 1989, he was Chief Executive of Maunsell Pty Ltd in Australia. He served in a variety of positions of increasing responsibility with the Maunsell Group since he started with the Group in 1965.

Composition of the Board of Directors

In accordance with the terms of our Restated Certificate of Incorporation, the terms of office of members of our Board of Directors, other than the two members elected by holders of our Class F and Class G convertible preferred stock, are divided into three classes:

- Class I directors, whose terms will expire at the annual meeting of stockholders to be held in 2009;
- Class II directors, whose terms will expire at the annual meeting of stockholders to be held in 2007; and
- Class III directors, whose terms will expire at the annual meeting of stockholders to be held in 2008.

Our Class I directors are Richard G. Newman, Linda Griego and William G. Ouchi, our Class II directors are John M. Dionisio, Robert J. Lowe and William P. Rutledge, and our Class III directors are Francis S. Y. Bong, H. Frederick Christie and S. Malcolm Gillis. In addition, holders of a majority of our Class F convertible preferred stock and holders of a majority of our Class G convertible preferred stock are each entitled to elect one director annually to our Board of Directors. These seats are currently held by James H. Fordyce for the Class G preferred stock and Lee D. Stern for the Class F preferred stock. At each annual meeting of stockholders, the successors to the directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following such election. Any vacancies in our classified Board will be filled by the remaining directors and the elected person will serve the remainder of the term of the class to which he or she is appointed. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors, subject to the rights of holders of Class F preferred stock and Class G preferred stock.

Board Structure and Committee Composition

As of the date of this registration statement, our Board has eleven directors and the following four committees: Audit, Compensation and Organization, Nominating and Governance and Planning, Finance and Investments. The membership during the last fiscal year and the function of each of the committees are described below. During fiscal 2006, our Board held five meetings. Each director attended at least 75% of all Board and applicable committee meetings.

	Audit Committee	Compensation and Organization Committee	Nominating and Governance Committee	Planning, Finance and Investment Committee
Francis S.Y. Bong				X
H. Frederick Christie*	X	Chairperson		
James H. Fordyce		X		X
S. Malcolm Gillis	X		Chairperson	
Linda Griego	X	X	X	
Robert J. Lowe		X		Chairperson
William G. Ouchi		X	X	X
William P. Rutledge	Chairperson			X
Lee D. Stern	X	X	X	

* lead independent director

Audit Committee. The Audit Committee of our Board of Directors consists of William P. Rutledge (Chairperson), H. Frederick Christie, S. Malcolm Gillis, Linda Griego and Lee D. Stern. The Audit Committee, which is composed solely of independent directors, makes recommendations to our Board of Directors regarding the selection of independent auditors, reviews the results and scope of the audit and other services provided by our independent auditors, and reviews and evaluates our audit and control functions. Our Audit Committee held five meetings during fiscal year 2006. Our Board of Directors has determined Mr. Rutledge, Chairperson of the Audit Committee, and several other members of the Audit Committee qualify as an "audit committee financial experts" as defined by the rules under the Securities Exchange Act of 1934. The background and experience of each of our audit committee members are set forth above.

Compensation and Organization Committee. The Compensation and Organization Committee of our Board of Directors consists of H. Frederick Christie (Chairperson), James H. Fordyce, Linda Griego, Robert J. Lowe, William G. Ouchi and Lee D. Stern. The Compensation and Organization Committee, comprised solely of independent directors, oversees our compensation plans and organizational matters. Such oversight includes decisions regarding executive management salaries, incentive compensation and long-term compensation plans as well as company wide incentive and equity plans for our employees and consultants and appointments and promotions for senior management. Our Compensation and Organization Committee held seven meetings during fiscal year 2006.

Nominating and Governance Committee. The Nominating and Governance Committee of our Board of Directors consists of S. Malcolm Gillis (Chairperson), Linda Griego, William G. Ouchi, and Lee D. Stern. The Nominating and Governance Committee is comprised solely of independent directors and is responsible for recruiting and retention of qualified persons to serve on our Board of Directors, including proposing such individuals to the Board of Directors for nomination for election as directors, for evaluating the performance, size and composition of the Board of Directors and for oversight of our compliance activities. The Nominating and Governance Committee considers written suggestions from stockholders, including potential nominees for election, and oversees the corporation's governance programs. Our Nominating and Governance Committee held five meetings during fiscal year 2006.

Planning, Finance and Investment Committee. The Planning, Finance and Investment Committee of our Board of Directors consists of Robert J. Lowe (Chairperson), Francis S.Y. Bong, James H. Fordyce, William G. Ouchi and William P. Rutledge. The Planning, Finance and Investment Committee reviews our

financing programs, proposed investments, including mergers, and other strategic initiatives. Our Planning, Finance and Investment Committee held six meetings in fiscal year 2006.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation and Organization Committee of our Board of Directors is an officer or employee of our company. No executive officer of our company serves as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers serving on our Compensation and Organization Committee.

Executive Sessions

Executive sessions of non-management directors are included on the agenda for every regularly scheduled Board and Board committee meeting. The Board sessions are chaired by H. Frederick Christie the board's lead independent director and the chairperson of the applicable committee chairs the committee executive sessions. Any director can request that an additional executive sessions be scheduled.

Compensation of the Board of Directors

Those of our directors who also serve as our officers or consultants, or as officers or consultants of our subsidiaries, or those directors representing the Class F and G preferred stock are not compensated by us for attending meetings or performing any other function of the Board. All other directors were paid a retainer of $30,000 per year for fiscal year 2006 and will be paid a retainer of $36,000 per year effective October 1, 2006. In addition, non-employee directors (other than directors elected by holders of our Class F and Class G convertible preferred stock) receive the following meeting fees:

- Board and Committee fees of $1,500 per meeting when in person and $1,000 when telephonic;
- Committee Chair fees for Compensation and Organization, Nominating and Governance and Planning, Finance and Investment Committees of $3,000 per meeting when in person and $2,000 per meeting when telephonic; and
- Audit Committee Chair fees of $4,500 per meeting when in person and $3,000 when telephonic.

Our non-employee directors are entitled to defer some or all of their annual retainers and meeting fees to our Non-Qualified Stock Purchase Plan and receive common stock units, except for non-U.S. resident directors who may be permitted to defer into their local AECOM stock plans.

Each non-employee director, at the time he or she is first elected to our Board of Directors, receives options to purchase 5,000 shares of our common stock under our Stock Incentive Plan for Non-Employee Directors and thereafter will receive annually options for a number of shares approved by the Board of Directors. The exercise price for such options is the market value of our common stock on the date of grant and the options are exercisable six months after the grant date. The compensation described above does not apply to the directors elected by the holders of the Class F and Class G convertible preferred stock.

Limitation of Directors' Liability and Indemnification

As permitted by Delaware law, our Certificate of Incorporation contains a provision eliminating the personal liability of our directors to us and our stockholders for monetary damages for breaches of their fiduciary duty as directors to the fullest extent permitted by the General Corporation Law of Delaware. Under the present provisions of the General Corporation Law of Delaware, our directors' personal liability to us and our stockholders for monetary damages may be so eliminated for any breach of fiduciary duty as a director other than (i) any breach of a director's duty of loyalty to us or to the stockholders, (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law,

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(iii) dividends or stock repurchases or redemptions that are illegal under Delaware law, and (iv) any transaction from which a director receives an improper personal benefit. This provision pertains only to breaches of duty by directors as directors and not in any other corporate capacity, such as being an officer. As a result of the inclusion of such provision in our Certificate of Incorporation, our stockholders may be unable to recover monetary damages against directors for actions taken by them that constitute gross negligence or that are in violation of their fiduciary duties, although it may be possible to obtain injunctive or other equitable relief with respect to such actions. If equitable remedies are found not to be available to stockholders in any particular case, stockholders may not have any effective remedy against the challenged conduct.

Our bylaws require us to indemnify our officers and directors against expenses and costs, judgments, settlements and fines reasonably incurred in the defense of any claim, including any claim brought by us or in our right, to which they were made parties by reason of being or having been officers or directors.

ITEM 6. EXECUTIVE COMPENSATION

Compensation Discussion & Analysis

Overview

Our compensation programs are designed to provide an overall total direct compensation package that is competitive with our peer companies, allow us to attract and retain key talent, and provide incentives that promote short- and long-term financial growth and stability to continuously enhance stockholder value based on a pay-for-performance model. We refer to the executive officers named in the Summary Compensation Table that follows this Compensation Discussion & Analysis (such officers being our Chief Executive Officer (CEO) and President, Chairman, Chief Financial Officer, Chief Corporate Officer, Chief Operating Officer, and Chairman of Asia) as "Named Executive Officers." The Compensation and Organization Committee of the Board of Directors reviews and approves the compensation program for our Named Executive Officers and oversees our executive compensation strategy.

To implement these principles, we target base salary compensation for our Named Executive Officers at the 50th percentile of appropriate peer group companies taking into account the experience level of the individuals in their current positions. Short term compensation or annual incentive bonuses for the Named Executive Officers are based on a comparison to the peer group's prior twelve month performance in the areas of growth in earnings before interest, taxes and amortization (EBITA), return on investment (ROI) and growth in earnings per share. Similarly, long term compensation for our Named Executive Officers is based on these same benchmarks comparing our performance over the prior five years against that of the peer group.

Our Compensation and Organization Committee then considers these quantitative performance comparisons and the compensation of executives of the peer group companies in similar positions, as well as qualitative performance factors they deem important to insure the alignment of our executives' compensation with the goals of our stockholders. The qualitative factors are developed with the CEO for the Named Executive Officers reporting to the CEO, and by the Compensation and Organization Committee for the CEO. These qualitative factors include items such as experience, leadership, integrity, strategic planning, team building, diversity, stability and succession planning.

- Our compensation package for our Named Executive Officers generally consists of:
  - *Base Salary*—we endeavor to provide a level of base salary that provides the executive with a competitive salary for executive's position and experience relative to executive's peers in the peer group companies. In general, the Compensation and Organization Committee sets the base salary near the median of the peer group taking into account the relative size of the company compared to the median of the peer group, and the experience of our executive compared to the average peer executive in the same position.
  - *Short-Term Compensation*—this component includes the base salary plus the annual incentive compensation and is intended to encourage our Named Executive Officers to focus on the Company's annual financial plan as well as the specific qualitative goals included in our strategic plan. With strong performance on all quantitative and qualitative objectives and if the quantitative objectives compare favorably to our peer companies, the executives may receive incentive compensation equal to their base salary. With unusual performance the Compensation and Organization Committee may provide incentive compensation in excess of base salary. We believe this pay-for-performance model encourages and motivates the executives' performance in alignment with the best interests of our stockholders and employees.
  - *Long-Term Incentive Compensation*—this component is designed to reward the executives for achieving quantitative and qualitative objectives that are related to our long term objectives as included in our five year strategic plan. Long term compensation is determined by comparing the total direct compensation for the Named Executive Officer with compensation received by executives at comparable peer companies. The long term compensation portion of total compensation may equal or exceed the executive's base salary. We believe tying our executives' total direct

compensation with the short and long term objectives of our strategic plan aligns our executives' interests with our stockholders and provides strong retention and motivational incentives for our executives.

We evaluate each of these three components of compensation described above for each of our Named Executive Officers in determining a compensation program that will encourage the overall success of the individuals and our Company.

As our financial performance improves relative to the performance targets, the Named Executive Officers' potential for additional compensation under the short-term and long-term incentive programs will increase. To help establish and review the compensation paid to the Named Executive Officers, our Compensation and Organization Committee reviews an executive compensation report prepared by Towers Perrin, an independent third-party consulting firm. This report compares performance of the Company and each element of compensation to comparable positions within the general population of similarly sized companies and also to a group of peer companies in our sector including CH2M Hill, Fluor, Foster Wheeler, Jacobs Engineering, Michael Baker, Shaw Group, Tetra Tech, URS and Washington Group International.

Should actual performance fall short of performance targets, total compensation will be reduced. Base compensation is established for a fiscal year and is not adjusted based on performance for the current year. Short-term compensation may be reduced to zero should performance fall short of established targets. Long-term compensation, as described below, is generally subject to company-wide performance targets for the Named Executive Officers. If the Company falls short of its performance targets for the three year performance period, the payout of the restricted stock units will be reduced and may be reduced to zero for significant shortfalls based on a pre-established formula. Our Compensation and Organization Committee evaluates on an annual basis past performance, competitor performance and general market conditions to establish future performance targets.

The Company does not currently have a policy requiring a fixed course of action with respect to compensation adjustments following later restatements of performance targets. Under those circumstances, the Compensation and Organization Committee would evaluate whether compensation adjustments were appropriate based upon the facts and circumstances surrounding the restatement.

Elements of Compensation

Base salary

As described above, we strive to provide our Named Executive Officers with a competitive base salary that is in-line with their roles and responsibilities when compared to peer companies of comparable size. We view base salary as an important component to each Named Executive Officer's overall compensation package. The base salary level is established and reviewed based on the level of responsibilities, the experience and tenure of the individual, and the amount of performance based incentives received or granted each year. The base salary is compared annually to the list of similar positions within comparable peer companies and with consideration of the executive's relative experience in his or her position. Base salaries are reviewed annually and at the time of promotion or other changes in responsibilities.

Short-Term Incentive Compensation

Our short-term incentive compensation program allows us to create annual performance criteria that are flexible and that change with the needs of our business. By creating target awards and setting performance objectives at the beginning of each fiscal year, our Named Executive Officers understand the goals and priorities of the Company during the current fiscal year. Our CEO and his management team are responsible for the overall performance of the Company in accordance with our strategic operating plan, as approved annually by our Board of Directors, and are thus evaluated on these objectives.

Named Executive Officers may receive approximately 25 - 40% of their total compensation as incentive compensation. The measurement criteria for our CEO and our Chairman's incentive compensation bonuses for fiscal year 2006 were based on our overall corporate level performance measures including growth in EBITA, EBITA return compared to the total invested capital, and growth in earnings per share after adjustments for one-time merger related expenses. For our other Named Executive Officers (other than our CEO and our Chairman), the following criteria for incentive compensation bonuses for fiscal year 2006 were used: overall corporate level performance measures including EBITA vs. plan, annual growth in EBITA, cash flow, backlog and a discretionary component. The discretionary component took into account qualitative achievements such as seamless transition of the CEO, Chief Operating Officer and Chief Financial Officer positions in fiscal 2006; initiating and completing significant mergers, including effective integration; aggressive quality and safety development plans; development and implementation of our employee engagement programs; cross-selling and production sharing between our operating brands; and other personal accomplishments. The Compensation and Organization Committee determines the final incentive compensation for the Named Executive Officers.

Long-term Incentive Compensation—Performance Earnings Program (PEP) and Stock Options

We provide two types of long-term compensation pursuant to our Stock Incentive Plan: Performance Earnings Program (PEP) restricted stock units and options to purchase AECOM common stock.

Our long-term incentive compensation programs are designed to focus and reward our Named Executive Officers on our long-term goals. By creating a three-year performance period under our PEP (described below) to complement our stock option program, our goal is to encourage and to provide an incentive for our Named Executive Officers to advance AECOM's long-term goals and enhance stockholder value. Our Named Executive Officers may receive approximately 25 - 60% of their total compensation as long-term incentive compensation.

Once per year, our CEO provides the Compensation and Organization Committee with a recommended total dollar pool for long-term incentives to be awarded to all Named Executive Officers as well as other key executives, excluding the CEO and the Chairman. The Compensation and Organization Committee then reviews the report from the executive compensation consultants, including the comparable total direct compensation amounts of peer companies and determines the final total dollar amount of long-term incentives that are to be awarded to the Named Executive Officers, including the CEO's and Chairman's final total long-term incentive compensation.

- *Performance Earnings Program.* Under the Performance Earnings Program 2006 (PEP06), we award performance-based restricted stock units that are earned based on a three year performance period. The Compensation and Organization Committee establishes objective performance criteria for each PEP award period. The awards for the participants including the Named Executive Officers are based on our performance over the entire three year period. The PEP06 awards are based on the three year performance of three corporate objectives: 1) Growth in EBITA, 2) Return on Investment, and 3) Growth in EBITA per share. The PEP awards generally vest on December 31st following the close of the three year performance period. The Named Executive Officer must be an active employee at the time the PEP is settled or the Named Executive Officer forfeits the PEP award, although exceptions may be made by the Compensation and Organization Committee, including exceptions for retirement, death or disablement. At the end of the three year performance period, the final amount of performance-based restricted stock units that are earned by each Named Executive Officer will be determined based on achievement of the performance criteria.

In 2006, the Board modified our 2005 PEP (PEP05, for fiscal years 2005-2007) and PEP06 (PEP05, for fiscal years 2006-2008) to provide for partial payments prior to January 2008. The PEP05 modification provides an interim payout in January 2007 based on two years of performance with the amount earned paid one half in cash and the other half in AECOM common stock. The remaining balance for the PEP05 award based on three years performance through September 2007 will be paid in January 2008 in AECOM common stock. PEP06 will similarly have one half of the amount earned for its first year of the three year performance period paid in cash in January 2007 and one half paid in AECOM common stock. The remaining amounts earned based on the PEP06 actual three year performance through September 2008 will be paid in January 2009 in AECOM common stock based on the actual three year performance.

The Board believed it was beneficial to amend the PEP program to more clearly align it with the specific guidelines of SFAS No. 123R, "*Share-Based Payment"*, which the Company was not subject to when the PEP program was first adopted. As originally structured, PEP awards were settled in cash rather than stock. The Board also believed it would be beneficial to settle future PEP awards 100% in stock to promote more employee equity ownership in the Company. In recognition of this change in settlement terms, the Board authorized a partial early settlement of the accrued portion of the PEP05 and PEP06 awards in an equal combination of cash and stock consistent with the performance results of the PEP program through fiscal year end 2006.

AECOM common stock received under the PEP05 and PEP06 will be eligible for repurchase by the Company after a minimum six month holding period, pursuant, in general to our stock repurchase program. In 2006, the Named Executive Officers receive all of their long-term compensation as PEP awards rather than options. In general, we consider that the PEPs link pay-for-performance directly and immediately to the Named Executive Officer while stock option awards might be used as part of a key executive hire package that provides an early equity interest in the Company for the new executive. Our 2007 PEP has a deferred compensation election which provides that our Named Executive Officers, as allowed under regulatory statutes, may retain restricted stock units and defer settlement until at least one year after the January 2010 settlement date.

· *Stock Options*. We generally grant stock options that have a seven year term and vest one-third every year on the anniversary date of the grant, subject to continued employment. The stock options also become fully vested upon death, total and permanent disablement as defined in our 2006 Stock Incentive Plan or upon retirement at or after age 65, or with the approval of the Administrator of the Stock Incentive Plan, at or after age 55. The stock options are issued with an exercise price equal to the price of our common stock (based on the most recent valuation by our independent outside valuation firm) on the later of the date of approval by our Compensation and Organization Committee and the identification of the grantee. In 2006, stock options were not issued to Named Executive Officers as part of their long-term incentive compensation. A new hire grant to our Chief Corporate Officer as part of the offer agreement included stock options.

Generally, since the initiation of the PEP program, the stock options have not been issued to Named Executive Officers as part of their long-term incentive compensation. Effective September 28, 2006, our Board of Directors approved a one-time 100% acceleration of vesting of all employee stock options outstanding as of such date, including options held by Named Executive Officers. The decision to accelerate the vesting of stock options was taken by our Board of Directors with the belief that it is in the best interest of our shareholders to reduce non-cash compensation expense that otherwise would have been recorded beginning in fiscal year 2007 upon the adoption of Statement of Financial Accounting Standards 123R (Share-Based Payment).

Benefit and Retirement Programs

Executive Life Insurance. Our Named Executive Officers are eligible to participate in an Executive Life Insurance plan on an annual basis. This plan is in addition to the basic life insurance program which is open to a large majority of AECOM employees. The Executive Life Insurance plan provides up to an additional $800,000 in coverage.

Executive Medical Insurance. Our Named Executive Officers are eligible to participate in an Executive Medical Insurance plan on an annual basis. This plan is in addition to the basic medical insurance programs that are open to most AECOM employees. The Executive Medical Insurance plan provides up to 100% reimbursement for certain medical expenses up to $75,000 per calendar year.

Senior Executive Equity Investment Plan. We established the Senior Executive Equity Investment Plan (SEEIP) in March 1998 to encourage our senior officers to invest in AECOM common stock by providing loans to fund the purchase of the stock. All of the current Named Executive Officers have had at least one outstanding SEEIP loan note. Under the program, participants also received a company stock match on the amount of stock purchased with the SEEIP loan. The stock match was subject to 10-year cliff vesting period.

All of our outstanding SEEIP loans have been terminated and repaid. In connection with the termination and repayment of such loans or settlement with shares, our Board of Directors approved a 100% acceleration of vesting of all outstanding SEEIP Company stock matches effective on September 28, 2006. SEEIP or similar loans are no longer part of the compensation package awarded to any of our Named Executive Officers or directors.

AECOM Pension Plan. The AECOM Pension Plan is a defined benefit plan that was adopted in September 1990. Participation in the AECOM Pension Plan was frozen to new entrants effective April 1, 1998. Of our Named Executive Officers, only our CEO, Chairman and our Chief Operating Officer were employees as of April 1, 1998 and are eligible to receive a retirement pension benefit under the Pension Plan.

Depending on the participant's years of service to AECOM, the pension benefits will range from 26% to 30.5% of the employee's final capped average monthly compensation plus an additional 11% to 12.5%

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of the employee's final capped average monthly compensation in excess of specified Social Security base amounts. The final average monthly compensation was capped as of April 1, 2004 at the employee's highest compensation for one full calendar year from 1994 through 2003. If the employee's final average monthly compensation as of April 1, 2004 was lower than the cap, the employee's final average compensation will continue to increase until the participant's average compensation reaches the compensation cap. Pension benefits will generally be reduced for participants with less than 25 years of service as required by plan rules. Employee contributions to the Pension Plan of up to 1.5% of compensation were required prior to April 1, 1998.

We have generally replaced the AECOM Pension Plan with a 401(k) pension component of our Retirement & Savings Plan (RSP). Employees are allowed to make pre-tax or after-tax contributions of 0.5%, 1.0% or 1.5% of their compensation to this 401(k) pension component. The Company matches dollar for dollar any such contributions and our matching contributions will vest after three years of service with the Company.

AECOM Management Supplemental Executive Retirement Plan (MSERP). The Company amended the AECOM Pension Plan, effective July 1, 1998, to provide for certain participants including Named Executive Officers (our CEO, Chairman and COO), earning benefits under the AECOM Pension Plan to instead earn identical benefits under a non-qualified plan known as the Management Supplemental Executive Retirement Plan, or MSERP. The MSERP replaces and provides a benefit identical in nature to the AECOM Pension Plan but on an unfunded basis.

The benefits of each employee who participated in the AECOM Pension Plan or MSERP are reduced by the actuarial estimate of the equivalent of a hypothetical account balance, calculated to be what the employee would have in his or her 401(k) pension component from April 1, 1998 until the employee's retirement and if the 401(k) contributions had remained invested in a benchmark fund, which mirrors the AECOM Pension Plan investments.

AECOM Supplemental Executive Retirement Plans (92 SERP & 96 SERP). In October 1992 we established the unfunded Supplemental Executive Retirement Plan, or 92 SERP, and in July 1996 we established the unfunded Supplemental Executive Retirement Plan, or 96 SERP, in order to provide some of our U.S. resident executive officers with pre-retirement death benefits and retirement benefits consistent with the level provided by the previous AECOM Pension Plan formula. These Supplemental Executive Retirement Plans require a participant to have reached the minimum age of 50 and to have worked at AECOM for at least five years. The plans also include early retirement provisions at age 62 with full retirement benefits.

Of our Named Executive Officers, only our CEO is eligible to receive any benefits from the 92 SERP and only our Chief Operating Officer is eligible to receive any benefits from the 96 SERP.

In July of 1996 we established the AECOM Excess Benefit Plan for participants in the Supplemental Executive Retirement Plans in order to provide only those benefits which the AECOM Pension Plan cannot provide due to federal tax limits. Benefits from the Excess Benefit Plan are unfunded and will reduce, dollar-for-dollar, the pension benefit paid by the Supplemental Executive Retirement Plans.

Employment Agreements, Severance Benefits and Change in Control Provisions

Except with respect to our Chief Operating Officer, we do not have any employment agreements in effect with any of our Named Executive Officers. We entered into this agreement with our Chief Operating Officer in connection with his joining us upon the acquisition of TCB, Inc. The employment agreement provides for a severance payment equal to 12 months salary for termination of employment by the Company without cause or by "Constructive Discharge," such as a material reduction in job duties or a required relocation without consent.

Stock Ownership

There are no equity ownership requirements or guidelines that any of our employees must meet or maintain. We have a broad base of stock ownership by employees (including our Named Executive Officers) and believe that this enhances our success by aligning the interests of our employees and stockholders. We encourage Named Executive Officers to invest in our common stock through payroll deductions invested in our stock and matched by our typical company match formula, the grants of PEPs and in certain cases, stock options. In February 2007, we sold 16,228 shares of our common stock to our Chief Corporate Officer, who paid $500,000 for such shares.

Review and Approval

Our Compensation and Organization Committee approves the compensation for the CEO and the Chairman and reviews and approves management's recommendations for the CEO's direct reports. In addition, the Compensation and Organization Committee approves compensation philosophy, programs, and ensures that proper due diligence, deliberations, and reviews of executive compensation are conducted.

The Compensation and Organization Committee uses Towers Perrin, an independent third-party consulting firm, to perform an analysis of comparable executive officer level positions within the general professional industry and a list of peer companies. The report of the consulting firm provides market survey information for base salary and short and long-term incentive compensation within the general industry companies and peer companies specified above.

For fiscal 2006, the general industry companies used by our compensation consultant were companies in our general industry, with us being near the median regarding the gross revenues and profits of the group. The compensation consultant also provided comparisons of key performance metrics for the Company compared to the peer group. This established the basis for our overall performance which was considered when Compensation and Organization Committee reviewed the performance of and determined compensation for the Named Executive Officers.

The following seven tables provide information regarding the compensation awarded to or earned during our fiscal year ended September 30, 2006 by our principal executive officer (PEO), principal financial officer (PFO) and the four most highly compensated executive officers other than the PEO and PFO.

Summary Compensation Table for Fiscal Year Ended September 30, 2006

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)

John M. Dionisio President and Chief Executive Officer (PEO)	2006	$ 718,760	$ 850,000	$ 1,600,278	$ —	$ —	$ 89,436	$ 103,117(5)	$ 3,361,590
Richard G. Newman Chairman	2006	$ 900,016	$ 850,000	$ 1,324,378	$ —	$ —	$ 3,674	$ 116,947(6)	$ 3,195,015
James R. Royer Executive Vice President and Chief Operating Officer	2006	$ 443,758	$ 450,000	$ 316,871	$ —	$ —	$ 83,325	$ 87,427(7)	$ 1,381,381
Michael S. Burke Executive Vice President and Chief Corporate Officer(12)	2006	$ 353,853	$ 400,000	$ 240,295	$ 93,700(8)	$ —	$ —	$ 369,568(9)	$ 1,457,416
Francis S.Y. Bong Chairman Asia	2006	$ 347,431	$ 408,218	$ 273,899	$ —	$ —	$ —	$ 349,954(10)	$ 1,379,502
Glenn R. Robson Senior Vice President and Chief Financial Officer (PFO)(12)	2006	$ 343,751	$ 260,000	$ 219,584	$ —	$ —	$ —	$ 62,340(11)	$ 885,675

(1) Includes deferrals to qualified defined contribution and non-qualified deferred compensation plans. For more information regarding amounts deferred into the non-qualified deferred compensation plan, please refer to the Nonqualified Deferred Compensation Table.

(2) Includes the FY 2006 incentive compensation (IC) bonus amounts paid in December 2006 based on the results of each individual's performance criteria plus all cash bonuses accrued and paid in FY 2006 excluding IC paid in December 2005 since the amounts were accrued in FY 2005.

(3) Each Named Executive Officer received a grant or grants under the Performance Earnings Program (PEP) in FY 2005 and FY 2006. Each participant in the PEP was awarded a specific number of target credits that will be earned by the participant throughout a three-year performance period based on a formula that will include multiple categories of performance for AECOM (refer to the long term incentive awards section of the "Compensation Discussion & Analysis" section in this registration statement for more details regarding this program). The future value of these PEP grants is dependent upon the performance of the Company.

Although AECOM was not subject to SFAS 123R "Share-Based Payment" in FY 2006, the disclosures in the Stock Awards column are based on the dollar amounts that AECOM would have recognized as a compensation expense with respect to FY 2006 had AECOM been subject to SFAS 123R. The Outstanding Awards at Fiscal Year-End and Option Exercises and Stock Vested tables include additional information with respect to all awards outstanding as of September 30, 2006.

(4) Although AECOM was not subject to SFAS 123R with respect to FY 2006, the disclosures in the Option Awards column are based on the dollar amounts that AECOM would have recognized as a compensation expense for financial reporting purposes under FAS 123R with respect to FY 2006 had AECOM been subject to SFAS 123R. Please reference the Outstanding Awards at Fiscal Year-End and Option Exercises and Stock Vested tables for additional information with respect to all awards outstanding as of September 30, 2006.

(5) This amount includes company match in the defined contribution Retirement & Savings Plan (RSP), company match in the non-qualified deferred compensation Stock Purchase Plan (SPP) in the amount of $51,494, executive life insurance premiums, executive medical insurance premiums in the amount of $26,899, tax gross-ups on the Medicare and FICA tax attributed to the non-qualified defined benefit plan benefits and the deferred compensation plans (M-SERP, SERP & SPP), travel expenses for spouse, entertainment/sporting event expenses and automobile related expenses.

(6) This amount includes company match in the defined contribution Retirement & Savings Plan (RSP), company match in the non-qualified deferred compensation Stock Purchase Plan (SPP) in the amount of $52,156, executive life insurance premiums, executive medical insurance premiums in the amount of $26,899, tax gross-ups on the Medicare and FICA tax attributed to the non-qualified defined benefit plan benefits and the deferred compensation plans (M-SERP, SERP & SPP), travel expenses for spouse, company-paid charitable contributions, entertainment/sporting event expenses, membership dues and automobile related expenses.

(7) This amount includes company match in the defined contribution Retirement & Savings Plan (RSP), company match in the non-qualified deferred compensation Stock Purchase Plan (SPP) in the amount of $12,833, executive life insurance premiums, executive medical insurance premiums in the amount of $26,899, tax gross-ups on the Medicare and FICA tax attributed to the non-qualified Defined Benefit benefits and the deferred compensation plans (M-SERP, SERP & SPP), travel expenses for spouse, membership dues, entertainment/sporting event expenses and automobile related expenses.

(8) Michael Burke received options to purchase 10,000 shares of AECOM common stock granted on October 3, 2005 with an exercise price of $24.81 per share. This award is valued at a Black-Scholes value of $9.37 per share option as of the grant date. This Black-Scholes valuation includes the following assumptions: Time to Expiration of 7 years, which matches the life of the option as AECOM has historically not experienced early exercise of options by our executives; Risk Factor Rate of 4.31%, which is the market yield on U.S. Treasury securities at 7-year constant maturity as of October 3, 2005; and Volatility of 0.25, which considers volatility of publicly-traded comparable company stocks as of the valuation date.

(9) This amount includes company match in the defined contribution Retirement & Savings Plan (RSP) in the amount of $25,150, company match in the non-qualified deferred compensation Stock Purchase Plan (SPP) in the amount of $242,749, a company match of $54,000 based on an 18% match on a $300,000 Senior Executive Equity Investment Plan (SEEIP) loan note issued on October 3, 2005, executive life insurance premiums, executive medical insurance premiums in the amount of $26,899, travel expenses for spouse, membership dues and automobile related expenses.

(10) This amount includes company match in the Hong Kong Global Stock Plans in the amount of $212,047, company pension plan contributions to the Hong Kong MFP Pension Plan, executive medical insurance premiums, travel expenses for spouse, housing & travel allowances, membership dues and automobile related expenses.

(11) This amount includes company match in the defined contribution Retirement & Savings Plan (RSP) and the non-qualified deferred compensation Stock Purchase Plan (SPP), executive life insurance premiums, executive medical insurance premiums in the amount of $26,899, tax gross-ups on the Medicare and FICA tax attributed to the SPP, membership dues and automobile related expenses.

(12) Messrs. Robson and Burke's positions changed in December 2007. Mr. Burke has been named Executive Vice President, Chief Financial Officer and Chief Corporate Officer and is now our Principal Financial Officer, and Mr. Robson has been named Senior Vice President, Finance and Chief Strategy Officer.

Grants of Plan-based Awards for Fiscal Year 2006

Name and Principal Position	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Thresholds ($)	Targets ($)	Maximums ($)	Estimated Future Payouts Under Equity Incentive Plan Awards(1) Thresholds (#)	Targets (#)	Maximums (#)	All Other Stock Awards: Number of Shares or Stock/Units	All Other Stock Awards: Number of Securities Underlying Options	Exercise or Base Price of Options Awards ($/Sh)(2)	Grant Date Fair value of stock and option awards(3)
John M. Dionisio President and Chief Executive Officer	12/01/2005	$ —	$ —	$ —	34,500	103,500	138,000	—	—	$ —	$ 2,567,835
Richard G. Newman Chairman	12/01/2005	$ —	$ —	$ —	20,450	61,350	81,800	—	—	$ —	$ 1,522,094
James R. Royer Executive Vice President and Chief Operating Officer	12/01/2005	$ —	$ —	$ —	5,000	15,000	20,000	—	—	$ —	$ 372,150
Michael S. Burke	10/30/2005	$ —	$ —	$ —	0	0	0	—	10,000(4)	$ 24.81	$ 93,700
Executive Vice	12/01/2005				2,500	7,500	10,000		0		$ 186,075(5)
President and Chief Corporate Officer	12/01/2005				3,375	10,125	13,500		0		$ 251,201
Francis S. Y. Bong Chairman Asia	12/01/2005	$ —	$ —	$ —	3,750	11,250	15,000	$ —	$ —	$ —	$ 279,113

Glenn R. Robson Senior Vice President and Chief Financial Officer	12/01/2005	$ —	$ —	$ —	3,375	10,125	13,500	$ —	$ —	$ —	$ 251,201

(1) Each Named Executive Officer above received a grant under the Performance Earnings Program (PEP) in FY 2006, which program is administered under the AECOM Technology Corporation 2000 Stock Incentive Plan. Each participant in the PEP was awarded a specific number of target credits that will be earned by the participant throughout a three-year performance period based on a formula that will include multiple categories of performance for AECOM (refer to the long term incentive awards section of the "Compensation Discussion & Analysis" section in this registration statement for more details regarding this program). The future value of these PEP awards is dependent upon the performance of the Company.

The threshold for the PEP awards was 25% of the total granted target credits. The target for the PEP awards was 75% of the total granted target credits. The maximum for the PEP awards was 100% of the total granted target credits. At the end of FY 2006, the Compensation and Organization Committee, with approval from the Board of Directors, determined that the payment terms for outstanding FY06 PEP awards would be modified. One-third of the opportunity under the 2006 PEP cycle was determined to have been earned at 85% of target based upon actual FY 2006 performance results and has been paid out 50% in cash and 50% in vested common stock in January 2007. Shares issued in settlement of the PEP award must be held for 6 months before recipients will be eligible for the annual diversification program.

(2) The exercise or base price of option awards granted is the fair market value of the Company's common stock as of the date of grant, as determined by the most recent valuation by an independent valuation firm for the quarter ending immediately prior to the grant date.

(3) The grant date fair value of option awards is based upon the Black-Scholes value of such awards.

Two-thirds of the opportunity under the 2006 PEP cycle will be settled solely in shares of AECOM stock in January 2009 based on the cumulative performance of the original three fiscal years (FY 2006-08) less the amount paid to the Named Executive Officer in January 2007. The remaining two-thirds balance will vest 100% on December 1 following the close of the three-year performance period. At the election of the participant, awards may be settled in shares net of minimum statutory tax withholding requirements. Any shares issued in settlement of the awards must be held for 6 months before recipients will be eligible for a one-time diversification of up to 50% of the shares received at the then-current AECOM stock price. Any remaining AECOM shares will qualify for the annual diversification program.

(4) Michael Burke's options to purchase 10,000 shares of common stock were approved and granted in December 2005 with an exercise price at the then current stock price of $24.81 per share, as determined by the most recent valuation by an independent valuation firm for the quarter ending immediately prior to the grant date. The stock option was granted with a seven-year term, vesting one-third every year on the anniversary date of the grant. With approval by the Compensation and Organization Committee and the Board of Directors, we subsequently vested 100% of all stock options granted prior to September 28, 2006. Therefore, these stock options were fully vested in FY 2006.

(5) As a new executive hire in FY 2005, Michael Burke received a partial PEP FY 2005 grant of 10,000 credits made in FY 2006 for the PEP cycle that began in FY 2005. The amounts disclosed in the this column are based upon the number of initial PEP FY 2005 credits granted multiplied by an expected achievement percentage of 75% in accordance with our financial plan estimates, valued at the September 30, 2004 AECOM common stock price of $24.81.

Outstanding Equity Awards at Fiscal Year-End 2006

Name and Principal Position	Option Awards(1) Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Stock Awards(2) Number of Shares or Units that Have Not Vested (#)	Market Value Shares or Units that Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)
John M. Dionisio	10,000	0	0	$ 8.30	08/22/2007	0	$ 0	PEP 05—20,829	PEP 05—$ 591,542
President and Chief Executive	25,000	0	0	$ 9.98	08/20/2008			PEP 06—96,238	PEP 06—$2,733,511
Officer	30,000	0	0	$ 10.91	08/19/2009				
	15,000	0	0	$ 13.68	11/14/2007				
	25,000	0	0	$ 15.68	11/21/2009				
	20,000	0	0	$ 16.72	11/15/2008				
	50,000	0	0	$ 19.51	11/20/2010				
	50,000	0	0	$ 20.78	12/02/2011				
Richard G. Newman	35,000	0	0	$ 8.30	08/22/2007	0	$ 0	PEP 05—31,243	PEP 05—$ 887,133
Chairman	50,000	0	0	$ 9.98	08/20/2008			PEP 06—57,045	PEP 06—$1,620,085
	60,000	0	0	$ 10.91	08/19/2009				
	50,000	0	0	$ 13.68	11/14/2007				
	150,000	0	0	$ 15.68	11/21/2009				
	50,000	0	0	$ 16.72	11/15/2008				
	180,000	0	0	$ 19.51	11/20/2010				
	75,000	0	0	$ 20.78	12/02/2011				
James R. Royer	10,000	0	0	$ 8.30	08/22/2007	0	$ 0	PEP 05— 7,290	PEP 05—$ 207,040
Executive Vice President and Chief	15,000	0	0	$ 9.98	08/20/2008			PEP 06—13,947	PEP 06—$ 396,109
Operating Officer	15,000	0	0	$ 10.91	08/19/2009				
	10,000	0	0	$ 13.68	11/14/2007				
	20,000	0	0	$ 15.68	11/21/2009				
	20,000	0	0	$ 16.72	11/15/2008				
	25,000	0	0	$ 19.51	11/20/2010				
Michael S. Burke	10,000	0	0	$ 24.81	10/03/2012	0	$ 0	PEP 05— 5,624	PEP 05—$ 159,731
Executive Vice President and Chief								PEP 06— 9,415	PEP 06—$ 267,373
Corporate Officer									
Francis S. Y. Bong	25,000	0	0	$ 13.68	11/14/2007	0	$ 0	PEP 05— 7,290	PEP 05—$ 207,040
Chairman Asia	25,000	0	0	$ 15.68	11/21/2009			PEP 06—10,461	PEP 06—$ 297,082
	25,000	0	0	$ 16.72	11/15/2008				
	25,000	0	0	$ 19.51	11/20/2010				
Glenn R. Robson	50,000	0	0	$ 17.58	08/22/2009	0	$ 0	PEP 05— 5,207	PEP 05—$ 147,886
Senior Vice President and Chief	20,000	0	0	$ 19.51	11/20/2010			PEP 06— 9,415	PEP 06—$ 267,733
Financial Officer									

(1) All outstanding stock options as of September 28, 2006 were fully vested by the AECOM Board in FY 2006.

(2) In FY 2006, the Compensation and Organization Committee, with approval from the Board, determined that the payment terms for outstanding FY05 PEP and FY06 PEP awards would be modified, as described in footnote 1 to the "Grants of Plan-based Awards" table. The results of the FY 2005 PEP cycle and FY 2006 PEP cycle were determined through the end of FY 2006.

The values in the Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#) column represent the remaining portion of the original 2005 PEP and 2006 PEP grants that were not earned in FY 2006.

The values in the Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($) column represent the remaining portion of the original 2005 PEP and 2006 PEP grants that were not earned in FY 2006 multiplied by the September 29, 2006 common stock price of $28.40.

The FY 05 PEP and FY 06 PEP awards become vested based upon the time and performance-based vesting criteria described under the heading "Performance Earnings Program" in the "Compensation Discussion and Analysis" above.

Options Exercises and Stock Vested for Fiscal Year 2006

Name and Principal Position	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Stock Awards(1) Number of Shares Acquired on Vesting ($)	Value Realized on Vesting ($)
John M. Dionisio	15,000	$ 253,800	PEP 05—14,586	PEP 05—$414,229
President and Chief			PEP 06—20,881	PEP 06—$593,024
Executive Officer				
Richard G. Newman	50,000	$ 846,000	PEP 05—21,878	PEP 05—$621,343
Chairman			PEP 06—12,377	PEP 06—$351,517
James R. Royer	40,000	$ 712,000	PEP 05— 5,105	PEP 05—$144,980

Executive Vice President and Chief Operating Officer	10,000	$ 169,200	PEP 06— 3,026	PEP 06—$ 85,946
Michael S. Burke Executive Vice President and Chief Corporate Officer	0	$ 0	PEP 05— 2,188 PEP 06— 2,043	PEP 05—$ 62,134 PEP 06—$ 58,013
Francis S. Y. Bong Chairman Asia	0	$ 0	PEP 05— 5,105 PEP 06— 2,270	PEP 05—$144,980 PEP 06—$ 64,459
Glenn R. Robson Senior Vice President and Chief Financial Officer	0	$ 0	PEP 05— 3,646 PEP 06— 2,043	PEP 05—$103,557 PEP 06—$ 58,013

(1) In FY06, the Compensation and Organization Committee, with approval from the Board, determined that the payment terms for outstanding FY05 PEP and FY06 PEP awards would be modified, as described in footnote 1 to the "Grants of Plan-based Awards" table. The results of the 2005 PEP cycle and 2006 PEP cycle were determined through the end of FY06.

The values in the Number of Shares Acquired on Vesting ($) column represent the restricted stock units earned from the final calculations of the 2005 PEP grants and 2006 PEP grants at the end of FY 2006. These restricted stock units were fully vested as of September 29, 2006.

The values in the Value Realized on Vesting ($) column represent value of the restricted stock units earned from the final calculations of the FY 2005 PEP grants and FY 2006 PEP grants at the end of FY 2006 multiplied by the September 29, 2006 common stock price of $28.40.

Pension Benefits for Fiscal Year 2006

Name and Principal Position	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefits ($)(1)	Payments During Last Fiscal Year ($)
John M. Dionisio President and Chief Executive Officer	AECOM Technology Corporation Pension Plan(2)	19.5000	$ 133,718	0
	AECOM Technology Corporation Management Supplemental Executive Retirement Plan(3)	19.5000	$ 104,286	0
	1992 AECOM Technology Corporation Supplemental Executive Retirement Plan(4)	19.5000	$ 1,664,293	0
Richard G. Newman Chairman	AECOM Technology Corporation Pension Plan	29.2500	$ 969,552	0
	AECOM Technology Corporation Management Supplemental Executive Retirement Plan	29.2500	$ 149,344	0
James R. Royer Executive Vice President and Chief Operating Officer	AECOM Technology Corporation Pension Plan	10.4167	$ 29,412	0
	AECOM Technology Corporation Management Supplemental Executive Retirement Plan	10.4167	$ 91,159	0
	1996 AECOM Technology Corporation Supplemental Executive Retirement Plan(5)	10.4167	$ 781,129	0
Michael S. Burke Executive Vice President and Chief Corporate Officer		0	0	0
Francis S. Y. Bong Chairman Asia		0	0	0
Glenn R. Robson Senior Vice President and Chief Financial Officer		0	0	0

Messrs. Robson, Burke and Bong are not eligible for any of the AECOM Pension Plans.

(1) *Present Value of Accumulated Benefits ($)*—Liabilities shown in this table are computed using the projected unit credit method reflecting average salary and service as of fiscal year end 2006. The material assumptions, except the retirement assumption, used to determine these liabilities can be located in note 10 to our consolidated financial statements found elsewhere in this registration statement. The retirement assumption was based on the respective plans' normal retirement age.

(2) *AECOM Technology Corporation Pension Plan*—The plan's benefit formula is integrated with Social Security and is based on the participant's years of service for the Company and "Final Average Compensation." Effective April 1, 2004, compensation for use in determining the Final Average Compensation was limited to the participant's highest annual compensation for any calendar year during the period beginning January 1, 1994 and ending December 31, 2003. Compensation is further limited to the applicable Internal Revenue Code section 401(a)(17) limit. The plan benefit is limited to the applicable Internal Revenue Code section 415(b) limit. Only employees hired before April 1, 1998 are eligible to participate in the plan. In addition, eligibility for the plan occurs no later than the completion of one year of service. Normal retirement age is 65. Early retirement age is the first day of any month after age 55, provided the participant has earned five years of service. Compensation is the participant's salary, plus sick pay, overtime pay, shift premiums, contract completion bonuses, incentive compensation bonuses, severance pay paid within 30 days of termination of employment, vacation pay, pre-tax contributions made on the participant's behalf to a Internal Revenue Code Section 125 cafeteria plan and pre-tax contributions to the Retirement and Savings Plan under Internal Revenue Code Section 401(k).

(3) *AECOM Technology Corporation Management Supplemental Executive Retirement Plan*—The plan's benefit formula is integrated with Social Security and is based on the participant's years of service for the Company and Final Average Compensation. Effective April 1, 2004, compensation for use in determining the Final Average Compensation was limited to the participant's highest annual compensation for any calendar year during the period beginning January 1, 1994 and ending December 31, 2003. Compensation is further limited to the applicable Internal Revenue Code section 401(a)(17) limit. The plan benefit is limited to the applicable Internal Revenue Code section 415(b) limit. The participant's benefit under this plan is equal to the participant's

Total AECOM Pension Plan Benefit minus the benefit payable to the participant under the AECOM Technology Corporation Pension Plan. Only employees hired before April 1, 1998 are eligible to participate in the plan. In addition, eligibility for the plan occurs no later than the completion of one year of service and the participant has to be a member of a select group of management or highly compensated employees, is an officer, is eligible for the AECOM Technology Corporation Incentive Compensation Plan and has been selected by the Compensation and Organization Committee to participate in the plan. Normal retirement age is 65. Early retirement age is the first day of any month after age 55, provided the participant has earned five years of service. Compensation is the participant's salary, plus sick pay, overtime pay, shift premiums, contract completion bonuses, incentive compensation bonuses, severance pay paid within 30 days of termination of employment, vacation pay, pre-tax contributions made on the participant's behalf to a Internal Revenue Code Section 125 cafeteria plan and pre-tax contributions to the Retirement and Savings Plan under Internal Revenue Code Section 401(k).

(4) *1992 AECOM Technology Corporation Supplemental Executive Retirement Plan*—The plan's benefit formula is integrated with Social Security and is based on the participant's years of service for the Company and Final Average Compensation. Effective April 1, 2004, compensation for use in determining the Final Average Compensation was limited to the participant's highest annual compensation for any calendar year during the period beginning January 1, 1994 and ending December 31, 2003. The participant's benefit under this plan is equal to the participant's Unlimited AECOM Pension Plan benefit minus the benefit payable to the participant under the AECOM Technology Corporation Management Supplemental Executive Retirement Plan and the AECOM Technology Corporation Pension Plan. Only employees hired before April 1, 1998 are eligible to participate in the plan. In addition, eligibility for the plan occurs when the participant is a member of a select group of management or highly compensated employees, has completed at least five years of Service, is at least 50 years old and has been selected by the Board of Directors to participate in the plan. Normal retirement age is 62, provided the participant has been a participant for 36 months. Early retirement age is the first day of any month after age 55, provided the participant has earned three years of service. Compensation is the participant's salary, plus sick pay, overtime pay, shift premiums, contract completion bonuses, incentive compensation bonuses, severance pay paid within 30 days of termination of employment, vacation pay, pre-tax contributions made on the participant's behalf to a Internal Revenue Code Section 125 cafeteria plan and pre-tax contributions to the Retirement and Savings Plan under Internal Revenue Code Section 401(k).

(5) *1996 AECOM Technology Corporation Supplemental Executive Retirement Plan*—The plan's benefit formula is integrated with Social Security and is based on the participant's years of service for the Company and Final Average Compensation. Effective April 1, 2004, compensation for use in determining the Final Average Compensation was limited to the participant's highest annual compensation for any calendar year during the period beginning January 1, 1994 and ending December 31, 2003. The participant's benefit under this plan is equal to the participant's Unlimited AECOM Pension Plan benefit minus the benefit payable to the participant under the AECOM Technology Corporation Management Supplemental Executive Retirement Plan and the AECOM Technology Corporation Pension Plan. Only employees hired before April 1, 1998 are eligible to participate in the plan. In addition, eligibility for the plan occurs when the participant is a member of a select group of management or highly compensated employees, has completed at least five years of service, is at least 50 years old, has a date of hire on or after March 1, 1996 and has been selected by the Board of Directors to participate in the plan. Normal retirement age is 62, provided the participant has been a participant for 36 months. Early retirement age is the first day of any month after age 55, provided the participant has earned three years of service. Compensation is the participant's salary, plus sick pay, overtime pay, shift premiums, contract completion bonuses, incentive compensation bonuses, severance pay paid within 30 days of termination of employment, vacation pay, pre-tax contributions made on the participant's behalf to a Internal Revenue Code Section 125 cafeteria plan and pre-tax contributions to the Retirement and Savings Plan under Internal Revenue Code Section 401(k).

Nonqualified Deferred Compensation for Fiscal Year 2006

Name and Principal Position	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate Withdrawals/ Distributions ($)(4)	Aggregate Balance at Last FYE ($)(5)
John M. Dionisio President and Chief Executive Officer	$ 285,080	$ 51,494	$ 452,908	$ (706)	$ 3,653,055
Richard G. Newman Chairman	$ 303,756	$ 52,156	$ 1,830,737	$ (701)	$ 14,535,060
James R. Royer Executive Vice President and Chief Operating Officer	$ 70,294	$ 12,833	$ 582,940	$ (217)	$ 4,619,241
Michael S. Burke Executive Vice President and Chief Corporate Officer	$ 0	$ 296,749(6)	$ 15,477	$ 0	$ 311,666
Francis S. Y. Bong(7) Chairman Asia	$ 0	$ 0	$ 0	$ 0	$ 0
Glenn R. Robson Senior Vice President and Chief Financial Officer	$ 30,504	$ 5,491	$ 98,541	$ (229)	$ 779,995

(1) Consists of FY 2006 employee contributions to the Stock Purchase Plan (SPP). As of September 30, 2006, participants were allowed to defer the same type of compensation into the SPP as could be deferred into the qualified AECOM Technology Corporation Retirement & Savings Plan (RSP). Participants could defer up to 50% of their base pay and 100% of any bonus they received into the SPP, which contributions were credited to the participant's account under the SPP as a number of common stock units based on the fair market value of the Company's common stock, as determined by the most recent valuation by an independent valuation firm for the then most recently completed fiscal quarter. As of September 30, 2006, participants in the SPP were provided an 18% company match, credited in the form of additional common stock units, on all contributions to the plan, which match is 100% vested after three years of service with the Company. As of September 30, 2006, the only distribution option under the SPP was a lump-sum in-kind distribution at termination of employment of a number of shares of the Company's common stock equal to the number of common stock units credited to the participant's account at the time of such termination of employment. As of September 30, 2006, the shares of common stock distributed were subject to repurchase by the Company after the participant's employment terminates, pursuant to the Company's Bylaws.

(2) Consists of FY 2006 Company match contributions to the SPP. The values in this column are also represented in the All Other Compensation column of the Summary Compensation Table above.

(3) This is the difference in the SPP beginning balance as of October 1, 2005 and the SPP ending balance as of September 29, 2006, less any activity in the plan during the 2006 fiscal year. The values in this column are not represented in the Summary Compensation Table.

(4) Consists of SPP Company match stock units that were sold in FY 2006 to cover the taxes on the SPP company match earned in calendar year 2005.

(5) Consists of the September 29, 2006 SPP ending balance, including SPP Senior Executive Equity Investment Plan (SEEIP) company match shares.

(6) Includes a company match of $54,000 contributed to the SPP based on an 18% match on a $300,000 SEEIP loan note issued on October 3, 2005.

(7) As our Chairman, Asia and a non-U.S. resident, Mr. Bong is not eligible for the SPP.

Directors Compensation for Fiscal Year 2006

Name and Principal Position	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value & Non-Qualified Deferred Compensation Earnings	All Other Compensation ($)(3)	Total ($)
H. Frederick Christie(4)	$ 66,000	$ 0	$ 48,600	$ 0	$ 0	$ 13,503	$ 128,103

John W. Downer(7)	$ 44,500	$ 0	$ 48,600	$ 0	$ 0	$ 13,335	$ 106,435
James H. Fordyce(5)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,000	$ 5,000
S. Malcolm Gillis(8)	$ 55,000	$ 0	$ 48,600	$ 0	$ 0	$ 12,809	$ 116,409
Linda Griego	$ 55,000	$ 0	$ 48,600	$ 0	$ 0	$ 12,862	$ 116,462
Robert J. Lowe(9)	$ 58,500	$ 0	$ 48,600	$ 0	$ 0	$ 9,741	$ 116,841
William G. Ouchi	$ 55,500	$ 0	$ 48,600	$ 0	$ 0	$ 5,802	$ 109,902
William P. Rutledge	$ 64,500	$ 0	$ 48,600	$ 0	$ 0	$ 9,024	$ 122,124
Lee D. Stern(6)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

Messrs. Dionisio, Newman and Bong are employee directors and do not receive separate compensation (i.e. annual retainer fees, board and committee meeting fees) for participating as Board members.

(1) These amounts include annual retainer fees and board and committee meeting fees earned in FY 2006. The following non-employee directors deferred amounts from their retainer fees and board and committee meeting fees paid in FY 2006 into the Stock Purchase Plan (SPP): Christie—$46,750, Gillis—$32,000, Griego—$41,000, Lowe—$22,750 and Rutledge—$49,000.

(2) Each non-employee director, excluding Fordyce and Stern as designees of the Class F and Class G stockholders, received an option to purchase 5,000 shares of common stock granted on March 2, 2006 with an exercise price of $25.07 per share. These awards are valued at a Black-Scholes value of $9.72 per share as of the grant date. This Black-Scholes valuation includes the following assumptions: Time to Expiration of 7 years, which matches the life of the option as AECOM has historically not experienced early exercise of options by its executives; Risk Factor Rate of 4.66%, which is the market yield on U.S. Treasury securities at 7-year constant maturity as of October 3, 2005; and Volatility of 0.25, which considers volatility of publicly-traded comparable company stocks as of the valuation date.

The non-employee directors have the following aggregate number of stock option awards outstanding as of September 29, 2006: Christie—26,100 exercisable stock options, Downer—37,000 exercisable stock options, Gillis—18,600 exercisable stock options, Griego—10,000 exercisable stock options, Lowe—26,100 exercisable stock options, Ouchi—18,000 exercisable stock options and Rutledge—23,100 exercisable stock options.

(3) These amounts include company match on deferred pre-tax contributions from fees earned during FY 2006 into the SPP, Company matching contributions to chartable organizations on behalf of the non-employee directors and spousal travel for non-employee directors.

(4) Mr. Christie exercised options to purchase 1,000 shares of common stock on 2/13/2006 with a realized gain of $17,800 and exercised options to purchase 500 shares of common stock on 7/25/2006 with a realized gain of $9,765.

(5) Mr. Fordyce is the designated director for the holders of Class G preferred stock and is not paid a retainer by AECOM.

(6) Mr. Stern is the designated director for the holders of Class F preferred stock and is not paid a retainer by AECOM.

(7) Mr. Downer retired from the AECOM Board of Directors on December 1, 2006.

(8) Mr. Gillis exercised options to purchase 1,500 shares of common stock on 2/14/2006 with a realized gain of $17,085.

(9) Mr. Lowe exercised options to purchase 1,000 shares of common stock on 2/13/2006 with a realized gain of $17,800 and exercised options to purchase 500 shares of common stock on 3/13/2006 with a realized gain of $8,460.

2006 Stock Incentive Plan

We established our AECOM Technology Corporation 2006 Stock Incentive Plan effective October 1, 2006 in order to promote the success of AECOM by providing additional long-term incentives for high levels of performance and for significant efforts to improve the financial performance of AECOM. Persons eligible to receive awards under the 2006 Stock Incentive Plan include key employees and officers of AECOM and its subsidiaries and to members of our Board of Directors who are not our employees. The 2006 Stock Incentive Plan replaced our previously existing equity compensation plans, the AECOM Technology Corporation 2000 Stock Incentive Plan and the Amended and Restated AECOM Technology Corporation Stock Incentive Plan for Non-Employee Directors. No additional awards will be granted under either the AECOM Technology Corporation 2000 Stock Incentive Plan or the Amended and Restated AECOM Technology Corporation Stock Incentive Plan for Non-Employee Directors, however, the shares that remained available for issuance under those plans at the time the 2006 Stock Incentive Plan was adopted were absorbed by and are available for issuance under the 2006 Stock Incentive Plan.

The 2006 Stock Incentive Plan authorizes stock options, stock appreciation rights (SARs), restricted stock, restricted stock units, incentive bonuses and performance-based awards. We believe the various forms of awards that may be granted under the 2006 Stock Incentive Plan give us the flexibility to offer competitive incentives and to tailor benefits to specific needs and circumstances. Generally, an option or stock appreciation right will expire, or other award will vest, not more than ten years after the date of grant.

The 2006 Stock Incentive Plan can be administered by our Board of Directors or by one or more committees appointed by our Board of Directors. Currently the Compensation and Organization Committee of our Board of Directors administers the 2006 Stock Incentive Plan.

The current aggregate share limit under the 2006 Stock Incentive Plan is 10,750,000 shares and the maximum number of shares subject to awards which may be granted to any individual during any calendar year is 2,000,000. At December 31, 2006, there were 6,078,603 shares available for issuance under this Plan. At December 31, 2006, there were 232,510 options outstanding under the 2006 Stock Incentive Plan with a weighted average exercise price of $28.40 per share. The maximum number of shares available for issuance under the 2006 Stock Incentive Plan will automatically increase on October 1, 2007 and on the first day of each fiscal year thereafter for nine more years, by the least of: (i) 5% of the our fully diluted shares outstanding as of the last day of the preceding fiscal year; (ii) 3,000,000 shares, or (iii) a number determined by the Board of Directors or the plan's administrator.

Stock options and SARs granted under the 2006 Stock Incentive Plan have an exercise price equal to the fair market value of a share of our common stock on the later of the date of approval of the award by the Compensation and Organization Committee and the identification of the individual grantee, but in no event shall the exercise price be less than the fair market value of a share on the date of grant. An option may either be an Incentive Stock Option or a Nonqualified Stock Option. Incentive Stock Options are also subject to more restrictive terms and are limited in amount by the Internal Revenue Code and the Plan. Full payment for shares purchased on the exercise of an option must be made at the time of such exercise in a manner approved by the Committee.

Upon a participant's retirement after age 65, retirement at age 55 with approval from Compensation and Organization Committee, death or total disability, or upon the occurrence of other events specified in the 2006 Stock Incentive Plan and summarized below, the Compensation and Organization Committee may provide that each option and SAR will become immediately vested and exercisable, each award of restricted stock will immediately vest free of restrictions and each performance share award will become payable to the holder of the award.

Our Compensation and Organization Committee may amend or terminate the 2006 Stock Incentive Plan at any time. In addition, the Compensation and Organization Committee may generally amend or modify the 2006 Stock Incentive Plan from time to time. Stockholder approval for an amendment will generally not be obtained unless required by applicable law or deemed necessary or advisable by our Board of Directors. Unless previously terminated by our

Compensation and Organization Committee, the Plan will terminate on September 30, 2016. Outstanding awards may be amended, however, only with the consent of the holder if the amendment alters or impairs the rights of the holder.

Upon our dissolution or liquidation, or if we are not the surviving entity as a result of a reorganization, merger or other consolidation with or into another corporation, the 2006 Stock Incentive Plan and all outstanding awards will terminate unless the successor corporation has provided for the assumption or substitution of the outstanding awards.

Stock Incentive Plan and 2000 Stock Incentive Plan

In February 2000, we adopted the 2000 Stock Incentive Plan that replaced our Stock Incentive Plan first adopted in 1990. The 2000 Stock Incentive Plan authorizes the issuance of stock options, stock appreciation rights (SARs), restricted stock and performance share awards to officers and key employees of AECOM and our subsidiaries and certain consultants and advisors to AECOM or any of our subsidiaries. The maximum number of shares authorized for issuance under the 2000 Stock Incentive Plan is 7,000,000. The remaining shares available for issuance under this plan as of October 1, 2006 were assumed into the 2006 Stock Incentive Plan.

Stock options granted under the 2000 Stock Incentive Plan have an exercise price equal to the fair market value of a share of our common stock on the later of the date of approval of the award by the Compensation and Organization Committee and the identification of the individual grantee, but in no event is the exercise price be less than the fair market value of a share on the date of grant. Generally, an option granted under the 2000 Stock Incentive Plan will expire not more than ten years after the date of grant.

At December 31, 2006, there were 854,850 options outstanding under the Stock Incentive Plan with a weighted average exercise price of $10.02 per share and 3,436,712 options outstanding under the 2000 Stock Incentive Plan with a weighted average exercise price of $18.38 per share.

Stock Incentive Plan for Non-Employee Directors

On July 9, 2002, we adopted an amended and restated Stock Incentive Plan for Non-Employee Directors. The Stock Incentive Plan for Non-Employee Directors authorizes the issuance of options to purchase up to 250,000 shares of our common stock to directors who are not our employees or who do not own more than 5% of our outstanding voting securities. This plan terminated on May 25, 2005, although options granted prior to that date will remain exercisable until their respective expiration dates.

At December 31, 2006, there were 112,525 options outstanding under the Stock Incentive Plan for Non-Employee Directors with a weighted average exercise price of $17.79 per share.

2006 Stock Incentive Plan for Non-Employee Directors

The 2006 Stock Incentive Plan for Non-Employee Directors (the “Directors Plan”) authorizes the issuance of options to purchase up to 250,000 shares of our common stock to directors who are not our employees or who do not own more than 5% of our outstanding voting securities.

The Directors Plan is administered by our Board of Directors or by one or more committees appointed by our Board of Directors. Currently the Compensation and Organization Committee of our Board of Directors administers the Directors Plan.

Under this plan, new directors will be granted options to purchase 5,000 shares of our common stock with an exercise price equal to the fair market value of our common stock on the date of grant. On the first business day following our annual meeting of stockholders, each director will be granted options to purchase 5,000 shares of our common stock with an exercise price that is equal to the fair market value of our common stock on the date of grant.

Options vest six months after date of grant. Revaluing of options is disallowed under this plan. Shares subject to options that have expired will become available for grant again under the Directors Plan. During fiscal year 2006, stock options in respect of 35,000 shares were granted to seven of our directors with a weighted average exercise price of $25.07 per share.

The remaining shares available for issuance under this plan as of October 1, 2006 were assumed into the 2006 Stock Incentive Plan on October 1, 2006

Performance Earnings Program

We established a Performance Earnings Program, or PEP, in December 2004 to issue incentives (pursuant to either our 2000 Stock Incentive Plan and 2006 Stock Incentive Plan) to our officers and key employees in lieu of stock options. Participants can earn up to 100% of the granted credits over a three year performance period. The performance periods for the fiscal 2005 and fiscal 2006 grants are fiscal years 2005, 2006 and 2007 and 2006, 2007 and 2008, respectively. The PEP is described in more detail in the “Compensation Discussion and Analysis” section of this registration statement.

Employee Investment Plans

Most full and part-time AECOM employees may purchase AECOM common stock through plans developed to comply with local laws and regulations. The largest such stock investment plan is in the United States, which we refer to as our Retirement & Savings Plan, and, together with all our non-U.S. plans, comprise the AECOM Global Stock Program. The Global Stock Program enables our employees to purchase our common stock through payroll deductions each pay period and contributions from year-end bonuses. After holding AECOM common stock for five years, participants may diversify some or all of those holdings into cash or other investment funds under a diversification program. Employee stock plans are currently established in the United States, Hong Kong, United Kingdom, Australia, New Zealand, United Arab Emirates, Qatar, Canada and Singapore.

In the United States, the Retirement & Savings Plan is a tax-qualified 401(k) plan. During the year, highly compensated employees (generally speaking, employees who earned more than $95,000 in fiscal 2006) may be disqualified from fully participating in the Retirement & Savings Plan. Due to this restriction, we have established a non-qualified plan, the Non-Qualified Stock Purchase Plan, to enable those highly compensated employees to defer compensation that they might otherwise have contributed to the Retirement & Savings Plan.

UMA Group Ltd. Employee Stock Purchase Plan

In the third fiscal quarter of fiscal year 2006, we implemented an employee stock plan in Canada. This plan, the UMA Group Ltd Employee Stock Purchase Plan, or UMA ESPP, was adopted as a result of our acquisition of UMA Group in Canada. The UMA ESPP is administered by our Board of Directors and up to 7,000,000 shares of our common stock may be granted under the plan to eligible employees in Canada. We provide a stock match in the form of common stock at a percentage (currently 18%) equal to the stock match percentage under our Global Stock Incentive Plan on all purchases made under this plan. The company stock match will have a three year vesting period, and prior service with UMA will count towards the three year vesting period. None of our current directors or executive officers or any other employees

eligible to participate in any other AECOM stock purchase plan will be eligible to participate in the UMA ESPP.

2005 ENSR Stock Purchase Plan

In connection with our September 2005 acquisition of Tiger Acquisition Corp. and its subsidiaries including ENSR International Corp., AECOM agreed to establish the ENSR 2005 Stock Purchase Plan, or ENSR SPP, a non-qualified plan. The ENSR SPP is administered by our Board of Directors or by one or more committees appointed by our Board of Directors. Under the terms of the plan, our Board of Directors, or a committee appointed by our Board, will allow those employees of Tiger Acquisition Corp. and its subsidiaries who were shareholders at the time of acquisition to purchase shares of our common stock at the fair market value of our common stock for a period of six months after the adoption of the plan. Currently, we will also provide an 18% stock match on all purchases made under this plan by crediting such employee's account under one of AECOM's Employee Investment Plans described above for U.S. employees and issuing shares for such stock match directly to non-U.S. employees.

Cansult Maunsell Merger Investment Plan

In connection with our September 2006 acquisition of Cansult Limited, AECOM agreed to establish the Cansult Maunsell Merger Investment Plan or MIP, a non-qualified plan. The MIP is administered by our Board of Directors or by one or more committees appointed by our Board of Directors. Under the terms of the plan, our Board of Directors, or a committee appointed by our Board, will allow those employees of Cansult Limited who were stockholders at the time of acquisition to purchase shares of our AECOM Global Holdings, Ltd. common stock at the fair market value of our common stock for a period of six months after the adoption of the plan.

Equity Investment Plan

In anticipation of future acquisitions, AECOM has established the Equity Investment Plan or EIP, a non-qualified plan. The EIP is administered by our Board of Directors or by one or more committees appointed by our Board of Directors. Under the terms of the plan, our Board of Directors, or a committee appointed by our Board, will allow those employees who join AECOM via mergers and acquisitions that were shareholders at the time of acquisition to purchase shares of our common stock at the fair market value of our common stock for a period of one month after the closing of the transaction.

U.S. Pension and Related Plans

A number of our employees participate in pension plans maintained by us and our overseas subsidiaries. In the United States, certain employees participate in the AECOM Pension Plan, a defined benefit plan that was effective on October 1, 1989. Depending on the participant's years of service to AECOM, the pension benefits will range from 26% to 30.5% of the employee's final capped average monthly compensation plus an additional 11% to 12.5% of the employee's final capped average monthly compensation in excess of specified Social Security base amounts. As of April 1, 2004, employees' pensionable compensation was capped at the employee's highest compensation for one full calendar year from 1994 through 2003. The employee's final average compensation will continue to increase until the participant's average compensation reaches the compensation cap. Pension benefits will generally be reduced for participants with less than 25 years of service as required by plan rules. Employee contributions to the Pension Plan of up to 1.5% of compensation were required prior to April 1, 1998.

On April 1, 1998, we amended our Investment Plan (now part of the Retirement & Savings Plan) to add what we refer to as a 401(k) pension component. This 401(k) pension component generally replaced the AECOM Pension Plan. New employees are not permitted to participate in the AECOM Pension Plan and, as described below, benefits under the 401(k) pension component reduce the AECOM Pension Plan

benefits for existing AECOM Pension Plan participants. Employees are allowed to make pre-tax or after-tax contributions of 0.5%, 1.0% or 1.5% of their compensation to this 401(k) pension component. We will match dollar for dollar any such contributions and our matching contributions will vest after three years of service (as defined in the Retirement & Savings Plan).

We also amended the AECOM Pension Plan, effective July 1, 1998, to provide that those highly compensated employees who receive bonuses under our incentive compensation program cease earning benefits under the AECOM Pension Plan and instead earn identical benefits under a non-qualified plan, the Management Supplemental Executive Retirement Plan, or MSERP. The MSERP provides a benefit identical in nature to the AECOM Pension Plan but on an unfunded basis.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transaction Policy

We have adopted a written related party transaction policy, which covers transactions between us and our directors, executive officers, 5% or greater stockholders and parties related to the foregoing, such as immediate family members and entities they control. The policy requires that any such transaction be considered and approved by our Audit Committee prior to entry into such transaction. In reviewing such transactions, the policy requires the Audit Committee to consider all of the relevant facts and circumstances available to the Audit Committee, including (if applicable) but not limited to the benefits to the Company, the availability of other sources for comparable products or services the terms of the transaction and the terms available to unrelated third parties or to employees generally.

Under the policy, if we should discover related party transactions that have not been approved, the Audit Committee will be notified and will determine the appropriate action, including ratification, rescission or amendment of the transaction.

Certain Relationships and Related Transactions

Mr. Ronald Yamiolkoski is employed by our subsidiary DMJM+Harris as an Associate Vice President and he is the brother-in-law of Mr. Richard Newman, our Chairman. Mr. Yamiolkoski has no reporting responsibility to Mr. Newman and in our fiscal years ended September 30, 2004, 2005 and 2006, Mr. Yamiolkoski received compensation from DMJM+Harris of approximately $129,000, $155,000 and $157,000, respectively. The employment of Mr. Yamiolkoski was entered into more than 25 years ago, prior to the adoption of our related party transaction policy and has since been ratified by the Audit Committee.

Two of our subsidiaries have performed design and other services in the ordinary course of business for Lowe Enterprises, which is affiliated with Robert Lowe, one of our directors. Our subsidiaries received fee payments from Lowe Enterprises in our fiscal years ended September 30, 2005 and 2006 in the amounts of approximately $470,000 and $800,000, respectively. In addition, one of our subsidiaries jointly pursued a project with an affiliate of Lowe Enterprises where our subsidiary received payments for design and other services from the project client (which was not affiliated with Lowe Enterprises) in our fiscal years ended 2004, 2005 and 2006 in the amounts of approximately $260,000, $1,700,000 and $610,000, respectively. The transactions with Lowe Enterprises have been ratified by our Audit Committee.

Entities affiliated with GSO Capital Partners and J.H. Whitney Capital Partners, LLC were the primary investors in our February 2006 sale of approximately $235 million of our Class F and Class G convertible preferred stock. Our board members Lee D. Stern and James H. Fordyce are affiliated with GSO Capital and J.H. Whitney, respectively, and have been designated by such investors pursuant to their respective rights under our Restated Certificate of Incorporation as Class F and Class G convertible preferred stockholders to appoint representatives to our board of directors.

We previously established a Senior Executive Equity Investment Plan, under which we encouraged our senior officers to hold AECOM stock by providing loans to fund the purchases of the stock. As of March 1, 2007, all SEEIP loans have been terminated and repaid. At September 30, 2006, there were SEEIP loans outstanding with in aggregate principal amount of approximately $26.7 million.

ITEM 8. LEGAL PROCEEDINGS

As a government contractor, we are subject to various laws and regulations that are more restrictive than those applicable to non-government contractors. Intense government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting, and, from time to time, we receive inquiries, subpoenas, and similar demands related to our ongoing business with government entities. Violations can result in civil or criminal liability as well as suspension or debarment from eligibility for awards of new government contracts or option renewals.

We are involved in various investigations, claims and lawsuits in the normal conduct of our business, none of which, in the opinion of our management, based upon current information and discussions with counsel, is expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or our ability to conduct business. From time to time we establish reserves for litigation when we consider it probable that a loss will occur.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

There is no public trading market for our common stock, preferred stock or stock options. As of December 31, 2006, there were:

- 150,000,000 authorized shares of common stock, of which 21,858,978 shares were outstanding;
- 2,500,000 authorized shares of convertible preferred stock, of which 55,938 shares were outstanding;
- 200 authorized shares of Class C preferred stock of which 54.317 shares were outstanding;
- 20 authorized shares of Class E preferred stock of which 5.165 shares were outstanding;
- 47,000 authorized shares of Class F convertible preferred stock, all of which were outstanding;
- 47,000 authorized shares of Class G convertible preferred stock, all of which were outstanding; and
- outstanding options to purchase 4,671,397 shares of our common stock, 5,431,722 of our common stock units and 4,271 shares of our convertible preferred stock units.

We have not declared or paid any cash dividends on our common stock, and we do not anticipate doing so in the foreseeable future. We currently intend to retain future earnings, if any, to operate our business and finance future growth strategies. Our loan covenants require us to obtain the consent of our lender banks or senior noteholders, as the case may be, prior to the payment of any cash dividends. As of December 31, 2006, there were approximately 530 holders of record of our common stock.

On January 24, 2007, we publicly announced our intention to pursue an initial public offering of our common stock, which is expected to be completed in the second or third calendar quarter of 2007.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes information as of December 31, 2006 with respect to equity compensation plans approved and not approved by stockholders. See Item 6, "Executive Compensation," for a description of the plans.

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Shares Remaining Available For Future Issuance (Excluding Shares in Column 1)
Equity compensation plans not approved by stockholders:	N/A	N/A	N/A
Equity compensation plans approved by stockholders:			
AECOM Technology Corporation 2006 Stock Incentive Plan	0	N/A	6,078,603
AECOM Technology Corporation Stock Incentive Plan	854,650	$ 10.02	0
AECOM Technology Corporation 2000 Stock Incentive Plan	3,436,712	$ 18.38	0
AECOM Technology Corporation Stock Incentive Plan for Non-Employee Directors	112,525	$ 17.79	0
AECOM Technology Corporation 2006 Stock Incentive Plan for Non-Employee Directors	35,000	$ 25.07	0
AECOM Technology Global Stock Program(1)	N/A	N/A	128,141,022
Total	4,438,887	$ 16.81	134,219,625

(1) The AECOM Technology Global Stock Program consists of our plans in Australia, Canada, Hong Kong, New Zealand, Singapore, United Arab Emirates/Qatar, United Kingdom and for the United States, the Retirement & Savings Plan, Contract Employee 401(k) Plan, ENSR Stock Purchase Plan and Equity Investment Plan.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

Since January 1, 2003, we have issued the following securities that were not registered under the Securities Act:

i. we issued 18.071 shares of our Class C preferred stock to U.S. Trust for the benefit of our employee shareholders under our Stock Purchase Program.

ii. we issued to our directors, officers, employees and consultants options to purchase 1,872,400 shares of common stock with an average exercise price of $21.83, and have issued 1,787,135 shares of common stock for an average purchase price of $10.52 upon exercise of such options.

iii. we issued to our directors, officers, employees and consultants 9,398,649 shares of common stock.

iv. we issued 45,565 shares of our convertible preferred stock to our directors, officers and employees.

v. we issued 1,807,147 shares of our common stock units and 2,678 shares of our convertible preferred stock units pursuant to our Stock Purchase Program.

vi. in September 2006, we sold 14,451 shares of our common stock for a purchase price of approximately $400,000 to Michael S. Burke, our Chief Corporate Officer and Chief Financial Officer.

vii. in February 2007, we sold 16,228 shares of our common stock for a purchase price of approximately $500,000 to Michael S. Burke, our Chief Corporate Officer and Chief Financial Officer.

viii. in August 2002, we sold 8,930 shares of our common stock for a purchase price of $0.2 million to shareholders of a privately-held company in connection with our acquisition of the company.

ix. in June 2003, we sold 75,000 shares of our Class D convertible preferred stock for a purchase price of $75.0 million to two investment funds, which were subsequently redeemed in February 2006.

x. in February 2006, we sold 47,000 shares of our Class F convertible preferred stock and 47,000 shares of our Class G convertible for an aggregate purchase price of $235.0 million to three investment funds.

xi. in April 2004, we issued 300,600 shares of our common stock valued at $5.9 million to the shareholders of privately-held company in connection with our acquisition of the company.

xii. in September 2004, we issued 622,300 shares of our common stock valued at $12.4 million to the shareholders of privately-held company in connection with our acquisition of the company.

xiii. in October 2004, we issued 213,705 shares of our common stock valued at $4.4 million to the shareholders of privately-held company in connection with our acquisition of the company.

xiv. in April 2005, we issued 231,632 shares of our common stock valued at $5.3 million to the shareholders of privately-held company in connection with our acquisition of the company.

xv. in September 2005, we issued 29,786 shares of our common stock valued at $0.7 million to the shareholders of privately-held company in connection with our acquisition of the company.

xvi. in December 2005, we issued 1,243,009 shares of our common stock valued at $30.8 million to the shareholders of privately-held company in connection with our acquisition of the company.

xvii. in November 2006, we issued 28,169 shares of our common stock valued at $0.8 million to the shareholders of privately-held company in connection with our acquisition of the company.

We issued the securities to identified in paragraphs (i)-(vii) above to our directors, officers, employees and consultants under written compensatory benefit plans in reliance upon Rule 701 under the Securities Act and/or Section 4(2) of the Securities Act as transactions by an issuer not involving any public offering. We issued the securities identified in paragraphs (viii)—(xvii) above in reliance upon Regulation D of the Securities Act and/or Section 4(2) of the Securities Act as transactions by an issuer not involving any public offering or Regulation S promulgated under the Securities Act as sales occurring outside of the United States. The consideration for the securities issued in paragraphs (xi)-(xvii) in connection with acquisitions were securities of the acquired company. The purchasers were provided financial and other information concerning the Company and were allowed the opportunity to ask questions and receive information from the Company prior to making their investment decisions. The sale of these securities were made without general solicitation or advertising. Based on the limited nature of the offering, the level of knowledge and relationships of the purchasers with the Company, the provision and access to information and restrictions on transfer, and (where applicable) the residence of the purchaser, the Company believes its offerings were exempt from registration under Regulation D, Section 4(2), Regulation S and/or Rule 701.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED

Our certificate of incorporation authorizes us to issue 150,000,000 shares of Common Stock and 8,000,000 shares of preferred stock, or Preferred Stock. Our Board of Directors, without further approval of the stockholders, may establish the powers, preferences, rights, qualifications and limitations, including the dividend rights, dividend rates, conversion rights, conversion prices, voting rights and redemption rights, of any series of Preferred Stock and may authorize the issuance of any such series.

Common Stock

Holders of our common stock are entitled to one vote per share on all matters to be voted on by our stockholders. All shares of common stock have equal voting rights.

Subject to the rights pertaining to any series of preferred stock, in the event of our liquidation, holders of our common stock are entitled to share ratably in our assets legally available for distribution after the payment of our debts. The shares of common stock have no preemptive, subscription, conversion or redemption rights.

Subject to the rights of the holders of preferred stock, the holders of the common stock are entitled to receive dividends, when, as and if declared by our Board of Directors, from funds legally available for such dividend payments.

Transfer Restrictions

Our bylaws generally do not allow any holder of our common stock or convertible preferred stock, to sell, gift or otherwise dispose of any such shares, other than to us upon termination of employment. The bylaws do provide for certain exceptions for transfer, including transfers to family trusts, individual retirement accounts and family members. The bylaw transfer restrictions do not apply to our Class F and Class G convertible preferred stock. In addition, unless amended, the bylaw transfer restrictions described in this section expire upon an initial underwritten public offering of our securities registered under the Securities Act of 1933.

Through a liquidity and diversification program, we voluntarily provide our employee shareholders an opportunity to sell their shares back to us, generally on an annual basis in December. We impose limits at our discretion on such share repurchases, and in recent years have limited such repurchases to no greater than $50,000 per individual.

Sales of common stock back to us are made at the price per share at which shares of our common stock were sold to our Retirement & Savings Plan, or RSP, or the per share valuation of our common stock under the RSP as of the end of the fiscal year in which the stockholder gives notice of transfer, or if no

such sale occurred or no such valuation has been established as of such date, then at the fair market value of a share of our common stock (as determined by an independent appraiser). Sales of shares of convertible preferred stock back to us are made at the liquidation preference of such shares, which is currently $100.00 per share, plus any accrued and unpaid dividends.

We may elect to make repurchases of our common stock or convertible preferred stock immediately or over a five year period by payment with an unsecured interest-bearing promissory note. Alternatively, the selling stockholder may elect for us to make five or nine annual repurchases of all or a portion of the shares. We may accelerate such installment repurchases at any time.

Convertible Preferred Stock

The following is a summary of the material terms of the Convertible Preferred Stock.

General. The Convertible Preferred Stock is limited to an aggregate of 2,500,000 shares with a par value and liquidation preference of $100 per share.

Dividends. Holders of the Convertible Preferred Stock are entitled to receive dividends payable in additional shares of Convertible Preferred Stock quarterly at a rate determined by an independent appraiser. This rate is established at a level that the appraiser determines is necessary to ensure that the fair value of the Convertible Preferred Stock will be equal to its liquidation preference. In making this determination, the appraiser considers the creditworthiness of the Company and prevailing market interest rates (i.e., the return on 12-month U.S. Treasury Bills).

Redemption. After shares of Convertible Preferred Stock has been outstanding for at least three years, we may redeem such shares at a price equal to 102.5% of the liquidation preference of the shares, plus the payment of any accrued and unpaid dividends to the redemption date. After the Convertible Preferred Stock has been held at least one year, the holder of the shares may convert some or all of the shares to our Common Stock. In any event, at such time as a holder of Convertible Preferred Stock no longer meets the qualifications to be a holder of Employee Stock, the Convertible Preferred Stock held by such holder shall be repurchased by us.

Liquidation Rights. In the event of our voluntary or involuntary liquidation, dissolution or winding up, or a change in control, the holders of shares of Convertible Preferred Stock are entitled to receive out of our assets available for distribution to stockholders, on parity with holders of our Class C, Class E, Class F and Class G preferred stock, and before any distribution of assets is made to holders of our Common Stock or of any other shares of our stock ranking as to such a distribution junior to the shares of Convertible Preferred Stock, liquidating distributions in the amount of $100 per share plus accrued and unpaid dividends. After payment of such liquidating distributions, the holders of shares of Convertible Preferred Stock will not be entitled to any further participation in any distribution of assets by the Company.

Voting Rights. Except as otherwise required by applicable law, the holders of the Convertible Preferred Stock will be entitled to one vote per share.

If the equivalent of six quarterly dividends payable on the Convertible Preferred Stock are in arrears, the number of our directors will be increased by two and the holders of Convertible Preferred Stock, voting as a class with the holders of shares of any other series of preferred stock ranking on a parity with the Convertible Preferred Stock as to dividends and distribution of assets, will be entitled to elect two directors to fill such vacancies. Such right to elect two additional directors shall continue until all dividends in arrears have been paid or declared and set apart for payment.

Class F and Class G Convertible Preferred Stock

Dividends. The Class F and Class G convertible preferred stock do not receive a stated dividend. If, however, we should declare or pay dividends on our common stock, then holders of our Class F and

Class G convertible preferred stock will be entitled to receive dividends equal to the amount that would have been payable had the Class F and Class G convertible preferred stock been converted into common stock immediately prior to the record date for such dividend.

Mandatory Redemption. We must redeem all outstanding shares of the Class F and Class G convertible preferred stock upon the earlier of (a) February 9, 2012 or (b) the sale of substantially all of our assets. The redemption price will equal the greater of (i) the liquidation preference of such share of Class F or Class G convertible preferred stock, which is $2,500 per share, and (ii) (A) if the redemption occurs on the maturity date of February 9, 2012, the fair market value of the shares of common stock into which such shares of Class F and Class G would have converted on February 8, 2012 or (B) if the redemption occurs as a result of a sale of substantially all of our assets, the amount (on an as converted to common stock basis) that each share of common stock would be entitled to receive on the date of such sale of substantially all of our assets.

Conversion. Each share of the Class F and Class G convertible preferred stock is convertible, at the election of the holder thereof, into our common stock at an initial conversion rate of approximately 99.7 shares of common stock for each share of Class F and G convertible preferred stock. The conversion rate is determined by dividing the liquidation preference of $2,500 per share by the initial conversion price of $25.07 per share. The conversion rate and conversion price are subject to certain anti-dilution adjustments, based on future issuances of our common stock (other than issuances at fair market value to employees, directors, consultants participating in our stock plans or shareholders of a firm we acquire in the ordinary course of business).

In addition the Class F and Class G convertible preferred stock will automatically be converted into our common stock (A) if our common stock is listed on the New York Stock Exchange, American Stock Exchange or NASDAQ in connection with a public offering with aggregate gross proceeds to us of at least $50,000,000 or (B) the affirmative written election of the holders of the Class F and/or Class G convertible preferred stock, as applicable.

Liquidation Rights. In the event of our voluntary or involuntary liquidation, dissolution or winding up, or a change of control, the holders of shares of the Class F and Class G convertible preferred stock are entitled to receive, out of our assets available for distribution to stockholders, on parity with our Class C and Class E preferred stock and our Convertible Preferred Stock, and before any distribution of assets or any payments are made to holders of our common stock or of any other shares of our stock ranking as to such a distribution junior to the shares of Class F and Class G convertible preferred stock, liquidating distributions in an amount equal to $2,500 per share. After payment of such liquidating distributions, the holders of shares of Class F and Class G convertible preferred stock will not be entitled to any further participation in any distribution of assets by us.

Voting Rights. The Class F and Class G convertible preferred stock vote together with our common stock as a single class on all matters voted on by holders of our common stock. The shares so voted will be the number of shares of our common stock into which such Class F and Class G convertible preferred stock is then convertible. In addition, the approval of the holders of a majority of our Class F and Class G convertible preferred stock, each voting as a separate class, as applicable will be required for certain actions by the Company that materially affect the Class F or Class G convertible preferred stock.

Designation of Board Members. The holders of a majority of our Class F convertible preferred stock and the holders of a majority of our Class G convertible preferred stock are each entitled to appoint one member to our board of directors. Each group of holders will maintain this board appointment right so long as it continues to hold Class F and Class G convertible preferred stock, as applicable, with a liquidation preference equal to at least 50% of the aggregate liquidation preference of the Class F or Class G shares, as applicable, initially purchased by it.

Registration Rights. The holders of the Class F and Class G convertible preferred stock have certain registration rights that may result in such holders being able to sell their shares of common stock in a registered offering after an initial public offering of our common stock before other holders of our common stock.

Preemptive Rights. If we issue shares of common stock or securities convertible or exercisable into common stock at a price per share below fair market value, then the holders of Class F and G convertible preferred stock will have a preemptive right to purchase a pro rata share of such new securities, subject to customary exceptions including an exception for shares issued pursuant to our stock plans.

Class C Preferred Stock

Our Class C preferred stock provides certain voting rights for holders of our common stock units and preferred stock units purchased our nonqualified Stock Purchase Plan. As of December 31, 2006, we had 200 authorized shares of Class C preferred stock, no par value, authorized, of which 56.524 shares were issued to U.S. Trust Company, N.A., as the trustee of the AECOM Technology Corporation Supplemental Trust, which holds shares on behalf of our employee stockholders. Each share of Class C preferred stock is entitled to 100,000 votes on all matters to be voted on by our holders of common stock, has no right to dividends and has a liquidation and redemption value of $1.00 per share, which will be paid on parity with our Convertible Preferred Stock and our Class E, Class F and Class G preferred stock before any assets are distributed to holders of our common stock upon our voluntary or involuntary liquidation. U.S. Trust Company has sole discretion as to how it votes each share of Class C preferred stock. We may redeem such shares of Class C preferred stock at our election, in whole or in part, at a redemption price equal to the liquidation preference of such shares. The Class C preferred stock is not convertible into common stock.

Class E Preferred Stock

As of December 31, 2006, we had 20 shares of Class E preferred stock, par value $0 per share, authorized to be issued, of which 5.427 shares were issued to Computershare Trust Company of Canada in its capacity as trustee for UMA Group, Ltd. and UMA RRSPCO Ltd. The shares of Class E preferred stock were issued in connection with our acquisition of the UMA group of companies in September 2004 and provide certain voting rights to the former UMA shareholders. Each share of Class E preferred stock is entitled to 100,000 votes only on certain fundamental matters affecting the Company, such as change of control.

The Class E preferred stock has no right to dividends and has a liquidation and redemption value of $1.00 per share, which will be paid before any assets are distributed to holders of our common stock upon our voluntary or involuntary liquidation. We may redeem the Class E preferred stock at any time by paying the redemption value of $1.00 per share. The Class E stock is not convertible into common stock.

Class Y Shares of UMA Group, Ltd. and Class YY Shares of UMA RRSPCO Ltd.

The Class Y and Class YY shares were issued to former shareholders of the UMA group of companies in connection with our acquisition of the UMA group of companies in September 2004. As of December 31, 2006, there were 440,344 and 102,375 shares outstanding of Class Y and YY shares, respectively.

The Class Y and YY shares are not entitled to vote with the common stock of AECOM. AECOM, however, has issued to Computershare Trust Company of Canada one share of Class E preferred stock for each 100,000 shares of Class Y or Class YY stock. As described above, the Class E preferred stock indirectly provides each holder of Class Y and YY shares voting rights upon certain fundamental events of AECOM.

The Class Y and YY shares will be entitled to dividends when and if dividends are declared on the common stock of AECOM and in the same amount as the dividends declared on the common stock of

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AECOM, subject to the rights of AECOM's preferred stock currently outstanding or that may hereafter be issued.

Common Stock Units and Convertible Stock Units

We have a Non-Qualified Stock Purchase Plan (SPP) pursuant to which our highly compensated employees (those earning more than approximately $95,000 per year in fiscal 2006) may defer compensation that they might otherwise have contributed to our Retirement and Savings Plan but are disqualified under applicable law from doing so. As a result of these deferrals, employees are credited with common stock units on a tax-deferred basis. The common stock units may only be redeemed for common stock. The holders of common stock units are not entitled to vote but are credited with any dividends that are declared on the common stock. In the event of our liquidation, holders of common stock units will be entitled to the same rights as holders of our common stock.

Our highly compensated employees who receive common stock units through our SPP may elect to exchange their common stock units for convertible preferred stock units. The holders of convertible preferred stock units are not entitled to vote. The convertible preferred stock units may only be redeemed for shares of our convertible preferred stock.

Delaware Law

We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date on which the person becomes an interested stockholder, unless (i) the Board of Directors approves such transaction or business combination, (ii) the stockholder acquires more than 85% of the outstanding voting stock of the corporation (excluding shares held by directors who are officers or held in employee stock plans) upon consummation of such transaction, or (iii) the business combination is approved by the Board of Directors and by two-thirds of the outstanding voting stock of the corporation (excluding shares held by the interested stockholder) at a meeting of stockholders (and not by written consent). A "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to such interested stockholder. For purposes of Section 203, "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation's voting stock.

Certificate of Incorporation and Bylaws

Various provisions of our Certificate of Incorporation and Bylaws, which are summarized in the following paragraphs, may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

No Cumulative Voting. The Delaware General Corporation Law provides that stockholders are denied the right to cumulate votes in the election of directors unless our Certificate of Incorporation provides otherwise. Our Certificate of Incorporation does not expressly address cumulative voting.

No Stockholder Action by Written Consent; Calling of Special Meetings of Stockholders. Our Certificate of Incorporation prohibits stockholder action by written consent. It also provides that special meetings of our stockholders may be called only by the Board of Directors or the chief executive officer.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Our Bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a stockholder's notice must be delivered or mailed and received at our principal executive offices not less 60 nor more than 90 days prior to the meeting. Our Bylaws also specify requirements as to the form and content of a

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stockholder's notice. These provisions may impede stockholders' ability to bring matters before an annual meeting of stockholders or make nominations for directors at an annual meeting of stockholders.

Classified Board of Directors. Our Certificate of Incorporation divides our board of directors into three classes of directors who are elected for three-year terms. Therefore, the full board of directors is not subject to re-election at each annual meeting of our stockholders.

Limitations on Liability and Indemnification of Officers and Directors. The Delaware General Corporation Law authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. Our

Certificate of Incorporation includes a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director, except for liability:

- for breach of duty of loyalty;
- for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law;
- under Section 174 of the Delaware General Corporation Law (unlawful dividends); or
- for transactions from which the director derived improper personal benefit.

Our Bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by the Delaware General Corporation Law. We are also expressly authorized to carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions in our Certificate of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Authorized But Unissued Shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without the approval of holders of common stock; however, the holders of our Class F and G preferred stock must approve the issuance of certain shares of preferred stock. We may use these additional shares for a variety of corporate purposes, including future offerings to raise additional capital, corporate acquisitions and employee benefit plans.

Supermajority Provisions. Under our Certificate of Incorporation, we must receive the consent of the holders of at least two-thirds of the outstanding shares of our capital stock, voting together as a single class, to approve a "business combination." A business combination is defined as:

(i) any merger into, or any consolidation of us with, any other firm, corporation or entity, other than any corporation of which a majority of the voting securities is owned directly or indirectly by us;

(ii) any sale, lease, exchange or other transfer to any individual firm, corporation or entity of all or substantially all of our assets (other than a mortgage or pledge of the assets of AECOM) in one or more related transactions; or

(iii) the adoption of any plan for our liquidation or dissolution.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102 of the Delaware General Corporation Law, DGCL, as amended, allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the Delaware General Corporation Law provides for the indemnification of officers, directors and other corporate agents in terms sufficiently broad to indemnify such persons under circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933. Our certificate of incorporation and bylaws provide for indemnification of our officers, directors, employees and agents to the extent and under the circumstances permitted under the Delaware General Corporation Law.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements required by this item are appended to the end of this registration statement, following the signature page.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

(a) *Financial Statements*. Our consolidated financial statements are appended to the end of this registration statement, following the signature page.

(b) *Exhibits.*

Exhibit Numbers	Description
3.1*	Restated Certificate of Incorporation
3.2*	Certificate of Designations for Class C Preferred Stock
3.3*	Certificate of Designations for Class E Preferred Stock
3.4*	Certificate of Designations for Class F Convertible Preferred Stock, Series 1
3.5*	Certificate of Designations for Class G Convertible Preferred Stock, Series 1
3.6**	Restated Bylaws
4.1*	Form of Common Stock Certificate
4.2*	Investor Rights Agreement, dated as of February 9, 2006, among Registrant and the investors party thereto
4.3*	Joinder Agreement, dated as of February 9, 2006, between the Registrant and the investor party thereto
4.4*	Joinder Agreement, dated as of February 14, 2006, between the Registrant and the investor party thereto
4.5*	Amendment No. 1 to Investor Rights Agreement, dated as of February 14, 2006, among the Registrant and the investors party thereto

Exhibit Numbers	Description
10.1*	Amended and Restated Credit Agreement, dated as of September 22, 2006, among Registrant, the Subsidiary Borrowers, Union Bank of California, N.A., as Administrative Agent, a Letter of Credit Issuing Lender and the Swing Line Lender, Harris N.A., as a Letter of Credit Issuing Lender, Bank of Montreal acting under its trade name BMO Capital Markets, as Syndication Agent and other financial institutions that are parties thereto
10.2*	Term Credit Agreement dated as of September 22, 2006, among Maunsell HK Holdings, Ltd., Faber Maunsell Limited, W.E. Bassett & Partners Pty. Ltd., Maunsell Group Limited, and Maunsell Australia Pty Ltd., as the Borrowers, Union Bank of California, N.A., as the Administrative Agent, BMO Capital Markets, as Co-Lead Arrangers and Co-Book Managers, Bank of Montreal, acting under its trade name BMO Capital Markets, as the Syndication Agent and other financial institutions that are parties thereto
10.3*	Note Purchase Agreement dated as of June 9, 1998, among Registrant and the purchaser parties thereto for Senior Notes due 2008
10.4*	Amendment to Note Purchase Agreement dated as of June 9, 1998
10.5*	Private Shelf Agreement, dated December 30, 2004, among Registrant, Prudential Investment Management, Inc. and certain Prudential Affiliates
10.6*	Guarantee dated as of January 9, 2007 among Registrant, HSBC Bank USA National Association and the other bank parties thereto
10.7*	Office Lease, dated June 13, 2001, between Registrant and Shuwa Investments Corporation
10.8*	First Amendment to Office Lease, dated September 2001, between Registrant and Shuwa Investments Corporation
10.9*	Second Amendment to Office Lease, dated October 22, 2001, between Registrant and Shuwa Investments Corporation
10.10*	Non-Qualified Stock Purchase Plan, restated as of April 7, 1999
10.11*	Amendment 2006-1, dated as of October 1, 2006, to Non-Qualified Stock Purchase Plan
10.12*	1992 Supplemental Executive Retirement Plan, restated as of November 20, 1997
10.13*	First Amendment, effective July 1, 1998, to the 1992 Supplemental Executive Retirement Plan
10.14*	Second Amendment to the 1992 Supplemental Executive Retirement Plan
10.15*	Third Amendment to the 1992 Supplemental Executive Retirement Plan
10.16*	1996 Supplemental Executive Retirement Plan, restated as of November 20, 1997
10.17*	First Amendment, effective July 1, 1998, to the 1996 Supplemental Executive Retirement Plan
10.18*	Second Amendment to the 1996 Supplemental Executive Retirement Plan
10.19*	Agreement of Lease dated as of March 17, 1999, between 650 Third Avenue LLC and Frederick R. Harris, Inc.
10.20*	1998 Management Supplemental Executive Retirement Plan
10.21*	First Amendment, effective January 1, 2002, to the 1998 Management Supplemental Executive Retirement Plan
10.22*	Second Amendment to the 1998 Management Supplemental Executive Retirement Plan
10.23*	Third Amendment to the 1998 Management Supplemental Executive Retirement Plan
10.24*	1996 Excess Benefit Plan
10.25*	First Amendment, effective July 1, 1998, to the 1996 Excess Benefit Plan
10.26*	Second Amendment to the 1996 Excess Benefit Plan
10.27*	Third Amendment to the 1996 Excess Benefit Plan
10.28*	2005 ENSR Stock Purchase Plan
10.29*	2005 UMA Group Ltd. Employee Stock Purchase Plan
10.30*	2006 Stock Incentive Plan
10.31*	Cansult Maunsell Merger Investment Plan
10.32*	AECOM Equity Investment Plan

Exhibit Numbers	Description
10.33*	Global Stock Investment Plan—United Kingdom
10.34*	Hong Kong Stock Investment Plan—Grandfathered Directors
10.35*	AECOM Retirement & Savings Plan
10.36*	Executive Employment Agreement between Registrant and James R. Royer
21.1*	Subsidiaries of AECOM

* Incorporated by reference to exhibit of like number to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007.

** Filed herewith.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, California, on March 7, 2007.

AECOM TECHNOLOGY CORPORATION

By: /s/ MICHAEL S. BURKE

Michael S. Burke

Senior Vice President, Chief Corporate Officer and Chief Financial Officer

AECOM Technology Corporation
Index to Consolidated Financial Statements
September 30, 2006

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
AECOM Technology Corporation

We have audited the accompanying consolidated balance sheets of AECOM Technology Corporation (the "Company"), as of September 30, 2006 and 2005 (restated), and the related consolidated statements of income, comprehensive income, stockholders' deficit (restated), and cash flows for each of the three years in the period ended September 30, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AECOM Technology Corporation at September 30, 2006 and 2005 (restated), and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the consolidated balance sheet as of September 30, 2006 and 2005 and the consolidated statements of changes in stockholders' deficit ended September 30, 2006, 2005 and 2004 have been restated to account for common and preferred shares in accordance with Emerging Issues Task Force D-98.

/s/ ERNST & YOUNG LLP

Los Angeles, California
January 24, 2007
except for Note 1, as to which the date is
March 5, 2007

AECOM Technology Corporation
Consolidated Balance Sheets
(in thousands, except share data)

	September 30, 2005 (restated)	September 30, 2006
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 27,424	$ 118,427
Cash in consolidated joint ventures	26,878	9,393

Short-term investments	50	50
Total cash and cash equivalents	54,352	127,870
Accounts receivable—net	703,837	913,178
Prepaid expenses and other current assets	48,541	52,827
Deferred tax assets—net	15,531	—
TOTAL CURRENT ASSETS	822,261	1,093,875
PROPERTY AND EQUIPMENT:		
Equipment, furniture and fixtures	84,208	85,201
Leasehold improvements	23,685	31,539
Total	107,893	116,740
Accumulated depreciation and amortization	(28,365)	(26,417)
PROPERTY AND EQUIPMENT—NET	79,528	90,323
DEFERRED TAX ASSETS—NET	36,459	98,449
DEFERRED LOAN COSTS—NET	1,478	1,444
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	19,230	19,943
GOODWILL	404,063	466,508
INTANGIBLE AND OTHER ASSETS—NET	32,216	18,168
OTHER NON-CURRENT ASSETS	29,689	37,064
TOTAL ASSETS	$ 1,424,924	$ 1,825,774
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Short-term debt	$ 4,165	$ 2,716
Accounts payable and other current liabilities	179,810	265,192
Accrued expenses	273,856	365,548
Billings in excess of costs on uncompleted contracts	122,825	143,283
Income taxes payable	11,373	35,646
Deferred tax liability - net	—	12,824
Current portion of share purchase liability	43,215	55,394
Current portion of long-term obligations	16,374	11,949
TOTAL CURRENT LIABILITIES	651,618	892,552
OTHER LONG-TERM LIABILITIES	126,243	112,970
LONG-TERM OBLIGATIONS	216,183	122,790
COMMITMENTS AND CONTINGENCIES (Notes 12, 19 and 23)		
MINORITY INTEREST	9,724	18,701
REDEEMABLE COMMON AND PREFERRED STOCK AND STOCK UNITS	622,140	771,207
NOTES RECEIVABLE FROM STOCKHOLDERS	(36,103)	(36,552)
REDEEMABLE PREFERRED STOCK, Class D—authorized, 120,000, issued and outstanding, 75,000 and 0 as of September 30, 2005 and September 30, 2006, respectively	75,000	—
REDEEMABLE PREFERRED STOCK, Class F—authorized, 200,000, issued and outstanding, 0 and 47,000 as of September 30, 2005 and September 30, 2006, respectively, $2,500 liquidation preference value	—	117,500
REDEEMABLE PREFERRED STOCK, Class G—authorized, 200,000, issued and outstanding, 0 and 47,000 as of September 30, 2005 and September 30, 2006, respectively, $2,500 liquidation preference value	—	117,500
STOCKHOLDERS' DEFICIT:		
Stock warrants issued with Class D convertible preferred stock	1,605	—
Additional paid-in capital	(176,089)	(254,225)
Accumulated other comprehensive loss	(65,397)	(36,669)
Retained earnings	—	—
TOTAL STOCKHOLDERS' DEFICIT	(239,881)	(290,894)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,424,924	$ 1,825,774

See accompanying Notes to Consolidated Financial Statements.
Refer to restatement disclosures at Footnote 1

AECOM Technology Corporation
Consolidated Statements of Income
(in thousands, except per share data)

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
Revenue	$ 2,011,975	$ 2,395,340	$ 3,421,492
Cost of revenue	1,443,419	1,717,863	2,515,684
Gross profit	568,556	677,477	905,808
Equity in earnings of joint ventures	2,517	2,352	6,554
General and administrative expenses	484,446	581,529	808,953
Income from operations	86,627	98,300	103,409
Minority interest in share of earnings	3,239	8,453	13,924
Interest expense - net	6,968	7,054	10,576
Income before income tax expense	76,420	82,793	78,909
Income tax expense	25,984	28,979	25,223
Net income	$ 50,436	$ 53,814	$ 53,686
Net income allocation:			
Preferred stock dividend	$ 5,443	$ 5,506	$ 2,205
Net income available for common stockholders	44,993	48,308	51,481
Net income	$ 50,436	$ 53,814	$ 53,686
Net income per share:			
Basic	$ 1.71	$ 1.86	$ 1.88
Diluted	$ 1.57	$ 1.68	$ 1.48
Weighted average shares outstanding:			
Basic	26,300	25,940	27,428
Diluted	32,127	31,989	36,329

Consolidated Statements of Comprehensive Income
(in thousands)

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
Net income	$ 50,436	$ 53,814	$ 53,686
Other comprehensive income (loss):			
Foreign currency translation adjustments	2,183	(7,308)	11,236
Minimum pension liability adjustments	5,841	(26,356)	17,492
Other comprehensive income (loss)	8,024	(33,664)	28,728
Comprehensive income	$ 58,460	$ 20,150	$ 82,414

See accompanying Notes to Consolidated Financial Statements.

AECOM Technology Corporation
Consolidated Statements of Changes in Stockholders' Deficit
(in thousands)

	September 30, 2004 (restated)	September 30, 2005 (restated)	September 30, 2006 (restated)
STOCK WARRANTS:			
Balance at the beginning of the year	$ 1,605	$ 1,605	$ 1,605
Liquidation of Class D preferred stock	—	—	(1,605)
Balance at the end of the year	1,605	1,605	—
ADDITIONAL PAID-IN CAPITAL:			
Balance at the beginning of the year	(142,877)	(129,260)	(176,089)
Tax benefit of exercise of non-qualified stock options	2,893	2,853	3,479
Adjustment of Class D preferred stock issuance costs	—	—	2,100
Redemption of Class D preferred stock	—	—	(41,486)
Issuance costs of Class F and Class G preferred stock	—	—	(2,880)
(Increase) decrease in carrying value of redeemable common and preferred stock and stock units	10,724	(49,682)	(39,349)
Balance at the end of the year	(129,260)	(176,089)	(254,225)
ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME:			
Balance at the beginning of the year	(39,757)	(31,733)	(65,397)
Foreign currency translation adjustments	2,183	(7,308)	11,236
Defined benefit minimum pension liability adjustment	5,841	(26,356)	17,492
Balance at the end of the year	(31,733)	(65,397)	(36,669)
RETAINED EARNINGS:			
Balance at the beginning of the year	—	—	—
Net income	50,436	53,814	53,686
Tax benefit related to appreciation in value under stock purchase plan	5,258	16,427	14,807
Paid-in-kind dividend on convertible preferred stock and preferred stock units	(193)	(256)	(305)
Dividend on Class D preferred stock	(5,250)	(5,250)	(1,900)
(Increase) decrease in carrying value of redeemable common and preferred stock and stock units	(50,251)	(64,735)	(66,288)
Balance at the end of the year	—	—	—
Total Stockholders' Deficit	$ 159,388	$ 239,881	$ (290,894)

See accompanying Notes to Consolidated Financial Statements.
Refer to restatement disclosures at Footnote 1

AECOM Technology Corporation
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 50,436	$ 53,814	$ 53,686
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,918	19,928	39,830
Equity in earnings of unconsolidated joint ventures	(2,517)	(2,352)	(6,554)
Stock match	1,811	3,214	14,779
Write-off of Class D preferred stock issuance costs	—	—	2,100
Interest income on notes from stockholders	(1,623)	(2,008)	(2,111)
Deferred income tax expense (benefit)	6,774	13,093	(12,136)
Gain on termination of interest rate hedge	—	—	(1,139)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	12,679	(72,407)	(135,418)
Prepaid expenses and other assets	(13,919)	(15,418)	(12,845)
Distribution of earnings from unconsolidated affiliates	1,734	364	6,867
Accounts payable	(13,507)	18,757	47,433
Accrued expenses	1,977	35,593	74,550
Billings in excess of costs on uncompleted contracts	(1,081)	24,782	14,525

Other liabilities	10,029	34,545	(16,060)
Income taxes receivable/payable	11,372	(30,036)	29,822
Change in deferred foreign currency translation adjustment	(5,350)	(8,926)	6,445
Change in defined benefit minimum pension liability adjustment	5,841	(26,356)	17,492
Net cash provided by operating activities	77,574	46,587	121,266
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for business acquisitions, net of cash acquired	(14,467)	(158,894)	(53,296)
(Payments to) proceeds from investments, net	(10,515)	60,538	—
Deferred income tax on gain from the sale of a building	—	—	(6,494)
Net investment in unconsolidated affiliates	(1,023)	(8,249)	(1,026)
Payments for capital expenditures	(18,926)	(31,175)	(32,300)
Proceeds on sale of property and equipment	603	785	21,301
Net cash used in investing activities	(44,328)	(136,995)	(71,815)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings under credit agreements	—	130,000	342,161
Repayments of borrowings under credit and senior note agreements	(24,482)	(9,106)	(442,013)
Proceeds from issuance of common stock and preferred stock, net of notes receivable	19,938	13,986	51,070
Proceeds from issuance of stock upon exercise of stock options	3,908	4,914	5,754
Proceeds from issuance of common and preferred stock units	6,479	23,071	11,108
Payments to repurchase of former employees' common stock and common stock units	(44,373)	(70,913)	(58,560)
Payments to redeem stockholders' notes issued in acquisitions	(1,002)	(2,625)	(595)
Proceeds from issuance of convertible preferred stock	—	—	235,000
Payments of issuance costs of convertible preferred stock	—	—	(2,880)
Payments to redeem preferred stock	—	—	(116,486)
Proceeds from terminating interest rate hedge	—	—	1,139
Payments of dividends on convertible preferred stock	(5,250)	(5,250)	(1,900)
Net cash (used in) provided by financing activities	(44,782)	84,077	23,798
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2,318	196	269
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,218)	(6,135)	73,518
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	69,655	60,437	54,302
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 60,437	$ 54,302	$ 127,820
SUPPLEMENTAL CASH FLOW INFORMATION:			
Retirement of fully depreciated equipment (non-cash)	$ 27,012	$ 11,554	$ 8,122
Interest paid	$ 9,192	$ 8,788	$ 14,584
Income taxes paid, net of refunds received	$ 16,142	$ 20,182	$ 16,366

See accompanying Notes to Consolidated Financial Statements.

AECOM TECHNOLOGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Restatement

The Company has restated the audited consolidated balance sheet and related footnote disclosures at September 30, 2005 and 2006 and the consolidated statements of changes in stockholders' deficit for the years ended September 30, 2004, 2005 and 2006. The restatement is a result of classification errors related to the Company's accounting of the conditionally redeemable securities. Based on Emerging Issues Task Force D-98 "*Classification and Measurement of Redeemable Securities*," the Company determined the redemption of all of it's common and preferred stock is not solely within the control of the Company and should be classified outside of permanent stockholders' equity and classified within redeemable common and preferred stock and stock units.

The impact of the restatement on certain components of our consolidated balance sheet and related footnote disclosures for the year ended September 30, 2005 and 2006 and the consolidated statements of changes in stockholders' deficit for the years ended September 30, 2004, 2005 and 2006 is presented below:

	At September 30, 2005	
Consolidated Balance Sheet Information	**As Previously Reported**	**Restated**
	(in thousands)	
Redeemable common and preferred stock and stock units	$ 225,523	$ 622,140
Notes receivable from stockholders	—	(36,103)
Convertible preferred stock	4,691	—
Common stock	157	—
Additional paid-in capital	118,212	(176,089)
Notes receivable from stockholders	(36,103)	—
Retained earnings	97,468	—

	At September 30, 2006	
Consolidated Balance Sheet Information	**As Previously Reported**	**Restated**
	(in thousands)	
Redeemable common and preferred stock and stock units	$ 280,046	$ 771,207
Notes receivable from shareholders	—	(36,552)
Convertible preferred stock	5,620	—
Common stock	171	—
Additional paid-in capital	104,902	(254,225)
Notes receivable from stockholders	(36,552)	—
Retained earnings	126,243	—

1. Restatement (Continued)

	As Previously Reported Fiscal Year Ended September 30,			Restated Fiscal Year Ended September 30,		
	2004	2005	2006	2004	2005	2006
PREFERRED STOCK:						
Balance at the beginning of the year	$ 2,418	$ 3,651	$ 4,691	—	—	—
Repurchase of preferred stock	(120)	(72)	(598)	—	—	—
Liquidation of Class B preferred stock	(50)	—	—	—	—	—
Preferred stock issued under stock match programs	146	78	105	—	—	—
Issuance of convertible preferred stock	1,068	778	1,117	—	—	—
Paid-in-kind dividend on convertible preferred stock	189	256	305	—	—	—
Balance at the end of the year	3,651	4,691	5,620	—	—	—
COMMON STOCK:						
Balance at the beginning of the year	159	162	157	—	—	—
Repurchase of common stock	(13)	(12)	—	—	—	—
Common stock issued	12	7	14	—	—	—
Transfer to common stock from common stock units	4	—	—	—	—	—
Balance at the end of the year	162	157	171	—	—	—
STOCK WARRANTS:						
Balance at the beginning of the year	1,605	1,605	1,605	$ 1,605	$ 1,605	$ 1,605
Liquidation of Class D preferred stock	—	—	(1,605)	—	—	(1,605)
Balance at the end of the year	1,605	1,605	—	1,605	1,605	—
ADDITIONAL PAID-IN CAPITAL:						
Balance at the beginning of the year	130,243	133,013	118,212	(142,877)	(129,260)	(176,089)
Liquidation preference of Class B preferred stock	50	—	1,605	—	—	—
Common stock and common stock units issued under stock match programs	1,212	1,678	3,712	—	—	—
Issuance of Class B and Class C common and preferred stock	36,542	32,038	87,419	—	—	—
Tax benefit of exercise of non-qualified stock options	2,893	2,853	3,479	2,893	2,853	3,479
Adjustment of Class D preferred stock issuance costs	—	—	2,100	—	—	2,100
Redemption of Class D preferred stock	—	—	(41,486)	—	—	(41,486)
Issuance costs of Class F and Class G preferred stock	—	—	(2,880)	—	—	(2,880)
(Increase) decrease in carrying value of redeemable common and preferred stock and stock units	(37,927)	(51,370)	(67,259)	10,724	(49,682)	(39,349)
Balance at the end of the year	133,013	118,212	104,902	(129,260)	(176,089)	(254,225)
NOTES RECEIVABLE FROM STOCKHOLDERS:						
Balance at the beginning of the year	(23,294)	(22,239)	(36,103)	—	—	—
Net repayment (purchase) of notes receivable from stockholders	2,590	(11,856)	1,662	—	—	—
Interest receivable on notes receivable from stockholders	(1,535)	(2,008)	(2,111)	—	—	—
Balance at the end of the year	(22,239)	(36,103)	(36,552)	—	—	—

1. Restatement (Continued)

	As Previously Reported Fiscal Year Ended September 30,			Restated Fiscal Year Ended September 30,		
	2004	2005	2006	2004	2005	2006
ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME:						
Balance at the beginning of the year	(39,757)	(31,733)	(65,397)	(39,757)	(31,733)	(65,397)
Foreign currency translation adjustments	2,183	(7,308)	11,236	2,183	(7,308)	11,236
Defined benefit minimum pension liability adjustment	5,841	(26,356)	17,492	5,841	(26,356)	17,492
Balance at the end of the year	(31,733)	(65,397)	(36,669)	(31,733)	(65,397)	(36,669)
RETAINED EARNINGS:						
Balance at the beginning of the year	37,821	74,655	97,468	—	—	—
Net income	50,436	53,814	53,686	50,436	53,814	53,686
Tax benefit related to appreciation in value under stock purchase plan	5,258	16,427	14,807	5,258	16,427	14,807
Paid-in-kind dividend on convertible preferred stock and preferred stock units	(193)	(256)	(305)	(193)	(256)	(305)
Dividend on Class D preferred stock	(5,250)	(5,250)	(1,900)	(5,250)	(5,250)	(1,900)
(Increase) decrease in carrying value of redeemable common and preferred stock and stock units	(13,417)	(41,922)	(37,513)	(50,251)	(64,735)	(66,288)
Balance at the end of the year	74,655	97,468	126,243	—	—	—

Total Stockholders' Deficit	$ 159,114	$ 120,633	$ 163,715	$ (159,388)	$ (239,881)	$ (290,894)

Related footnote disclosures

Redeemable Common and Preferred Stock and Stock Units

Repurchase Date:	As previously Reported Shares/Units	Restated Shares/Units
December 2006	1,950,493	1,950,493
December 2007	1,700,149	1,700,149
December 2008	1,497,158	1,497,158
December 2009	1,340,146	1,340,146
December 2010	1,148,377	1,148,377
Thereafter	27,143	27,143
	7,663,466	7,663,466
Common and preferred stock and stock units—redemption date not determined	4,147,802	21,295,542
Total	11,811,268	28,959,008

2. Significant Accounting Policies

Organization—AECOM Technology Corporation, or the Company, provides professional technical services to the United States government, state, local and non-U.S. governments and agencies and

2. Significant Accounting Policies (Continued)

commercial customers. These services encompass a variety of technical disciplines, including consulting, planning, architecture, engineering, construction management, project management, asset management, environmental services and design-build services. These services are applied to a number of areas and industries, including transportation infrastructure; research, testing and defense facilities; water, wastewater and other environmental programs; land development; security and communication systems; institutional, mining, industrial and commercial and energy-related facilities. The Company also provides operations and maintenance services to governmental agencies throughout the United States and abroad.

Fiscal Year—The Company reports results of operations based on 52 or 53-week periods ending on the Friday nearest September 30. For clarity of presentation, all periods are presented as if the year ended on September 30. Fiscal years 2004, 2005 and 2006 contained 53, 52 and 52 weeks, respectively and ended on October 1, September 30 and September 29, respectively.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant estimates affecting amounts reported in the consolidated financial statements relate to revenues under long-term contracts and self-insurance accruals. Actual results could differ from those estimates.

Principles of Consolidation and Presentation—The consolidated financial statements include the accounts of all subsidiaries and material joint ventures in which the Company has control or is the primary beneficiary. All inter-company accounts have been eliminated in consolidation.

Investments in Unconsolidated Joint Ventures—The Company has non-controlling operational interests in joint ventures accounted for under the equity method. Services performed by the Company and billed to joint ventures with respect to work done by the Company for third-party customers are recorded as revenues of the Company in the period in which such services are rendered. In certain joint ventures, a fee is added to the respective billings from the Company and the other joint venture partners on the amounts billed to the third- party customers. These fees result in earnings to the joint venture and are split with each of the joint venture partners and paid to the joint venture partners upon collection from the third-party customer. The Company records its allocated share of these fees as equity in earnings of joint ventures.

Variable Interest Entities—The Financial Accounting Standards Board (FASB) Financial Interpretation No. 46 (revised December 2003) *"Consolidation of Variable Interest Entities,"* (FIN 46R) requires the primary beneficiary of a variable interest entity (VIE) among other things, to consolidate into its financial statements the financial results of the VIE and to make certain disclosures regarding the VIEs (unless the primary beneficiary also holds a majority voting interest). At September 30, 2006, the total assets and liabilities of VIEs where the Company was the primary beneficiary were $34.0 million and $22.8 million, respectively, as compared to total assets of $88.7 million and total liabilities of $69.9 million at September 30, 2005.

Revenue Recognition and Costs—In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its clients. These costs are passed through to clients and are included in the Company's revenue when it is the Company's responsibility to procure or manage such costs. Because subcontractor services and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends.

The Company's contract revenues are determined using the percentage-of-completion method based generally on the ratio of direct labor dollars incurred to estimated total direct labor dollars at the completion of the contract. Recognition of revenue and profit under this revenue recognition method is dependent upon the accuracy of a variety of estimates, including engineering progress, materials quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. Due to uncertainties inherent in the estimation progress, it is possible that actual completion costs may vary from estimates. If estimated total costs on contracts indicate a loss, the Company recognizes that estimated loss in the period the estimated loss first becomes known.

Cost-Plus Contracts. The Company enters into two major types of cost-plus contracts:

Cost-Plus Fixed Fee. Under cost-plus fixed fee contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a fixed negotiated fee. The total estimated cost plus the fixed negotiated fee represents the total contract value. The Company recognizes revenue based on the actual labor and other direct costs incurred, plus the portion of the fixed fee it has earned to date.

Cost-Plus Fixed Rate. Under the Company's cost-plus fixed rate contracts, the Company charges clients for its direct and indirect costs based upon a negotiated rate. The Company recognizes revenue based on the actual total costs it has expended and the applicable fixed rate.

Certain cost-plus contracts provide for award fees or a penalty based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, the Company may share award fees with subcontractors. The Company records accruals for fee-sharing as fees are earned. The Company generally recognizes revenue to the extent of costs actually incurred plus a proportionate amount of the fee expected to be earned. The Company takes the award fee or penalty on contracts into consideration when estimating revenue and profit rates, and it records revenue related to the award fees when there is sufficient information to assess anticipated contract performance. On contracts that represent higher than normal risk or technical difficulty, the Company may defer all award fees until an award fee letter is received. Once an award letter is received, the estimated or accrued fees are adjusted to the actual award amount.

Certain cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees varies, depending on whether the Company achieves above, at, or below target results. The Company originally recognizes revenue on these contracts based upon expected results. These estimates are revised when necessary based upon additional information that becomes available as the contract progresses.

Fixed-Price Contracts. The Company enters into fixed-price contracts:

Firm Fixed-Price. The Company's firm fixed-price contracts have historically accounted for most of its fixed-price contracts. Under firm fixed-price contracts, clients pay the Company an agreed amount negotiated in advance for a specified scope of work. The Company recognizes revenue on firm fixed-price contracts using the percentage-of-completion method described above. Prior to completion, recognized profit margins on any firm fixed-price contract depend on the accuracy of the Company's estimates and will increase to the extent that its actual costs are below the estimated

2. Significant Accounting Policies (Continued)

amounts. Conversely, if the Company's costs exceed these estimates, its profit margins will decrease and the Company may realize a loss on a project.

Time-and-Materials Contracts. The Company enters into time-and-materials contracts:

Time-and-Materials Contracts. Under the Company's time-and-materials contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for its actual out-of-pocket costs of materials and other direct incidental expenditures that it incurs in connection with its performance under the contract. The Company's profit margins on time-and-materials contracts fluctuate based on actual labor and overhead costs that it directly charges or allocates to contracts compared to negotiated billing rates. Many of the Company's time-and-materials contracts are subject to maximum contract values and, accordingly, revenue relating to these contracts is recognized as if these contracts were a fixed-price contract.

Service-Related Contracts. The Company enters into service-related contracts:

Service-Related Contracts. Service-related contracts, including operations and maintenance services and a variety of technical assistance services, are accounted for over the period of performance, in proportion to the costs of performance.

Contract Claims**—**Inaccordance with the American Institute of Certified Public Accountants Statement of Position No. 81-1, *"Accounting for Performance of Construction-Type and Certain Production-Type Contracts,"* the Company records contract revenue related to claims only if it is probable that the claim will result in additional contract revenue and if the amount can be reliably estimated. If both criteria are met, the Company records revenue only to the extent that contract costs relating to the claim have been incurred. As of September 30, 2005 and September 30, 2006, the Company had no significant receivables related to contract claims.

Government Contract Matters**—**The Company's federal government and certain state and local agency contracts are subject to among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subjects the Company to multiple audits by government agencies such as the Defense Contract Audit Agency (DCAA). In addition, most of the Company's federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of the Company's overhead rates, operating systems and cost proposals to ensure that the Company accounted for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines the Company has not accounted for such costs consistent with CAS, the DCAA may disallow these costs. Historically, the Company has not had any material cost disallowances by the DCAA as a result of audit. However, there can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

Cash and Cash Equivalents**—**The Company's cash equivalents include highly liquid investments which have an initial maturity of 90 days or less.

2. Significant Accounting Policies (Continued)

***Allowance for Doubtful Accounts*—**The Company records its accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the financial condition of its clients. The factors the Company considers in its contract evaluations include, but are not limited to:

- Client type—federal or state and local government or commercial client;
- Historical contract performance;
- Historical collection and delinquency trends;
- Client credit worthiness; and
- General economic conditions

***Concentration of Credit Risk*—**Financial instruments, which subject the Company to credit risk, consist primarily of cash and cash equivalents and net accounts receivable. The Company places its temporary cash investments with high credit quality financial institutions. As of September 30, 2005 and September 30, 2006, no accounts receivable from a single commercial client exceeded 10% of the Company's total accounts receivable. The Company regularly performs credit evaluations of its clients and considers these evaluations in the determination of its allowance for doubtful accounts.

***Fair Value of Financial Instruments*—**The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturities of these instruments. The carrying amount of the revolving credit facility and loans under the Senior Executive Equity Investment Plan approximates fair value because the interest rates are based upon variable reference rates. The fair value of the senior secured notes as of September 30, 2005 and September 30, 2006 was not materially different than the carrying value.

***Property and Equipment*—**Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Typically, estimated useful lives range from three to ten years for equipment, furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining terms of the underlying lease agreement.

***Deferred Loan Costs*—**Deferred loan costs that relate to the Company's Amended and Restated Credit Agreement, Term Credit Agreement and the Senior Notes due 2008 and 2012 are being amortized over the terms of their respective agreements.

***Long-lived Assets*—**Long-lived assets to be held and used are reviewed for impairment whenever events or circumstances indicate that the assets may be impaired. For assets to be held and used, impairment losses are recognized based upon the excess of the asset's carrying amount over the fair value of the asset. For long-lived assets to be disposed, impairment losses are recognized at the lower of the carrying amount or fair value less cost to sell.

***Goodwill and Related Intangible Assets*—**Goodwill represents the excess amounts paid over the fair value of net assets acquired in mergers and acquisitions. In order to determine the amount of goodwill resulting from a merger or acquisition, the Company performs an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In its assessment, the

2. Significant Accounting Policies (Continued)

Company determines whether identifiable intangible assets exist, such as backlog and customer relationships, established workforce, patents, trademarks/trade names and other assets.

Statement of Financial Accounting Standards, or SFAS, No. 142, "*Goodwill and Other Intangible Assets*", requires that the Company perform an impairment test of its goodwill at least annually for each reporting unit of the Company. Reporting units for purposes of this test are consistent with the Company's reportable segments and consist of Professional Technical Services and Management Support Services. The impairment test is a two-step process. During the first step, the Company estimates the fair value of the reporting unit and compares that amount to the carrying value of that reporting unit's goodwill. In the event the fair value of the reporting unit is determined to be less than the carrying value, a second step is required. The second step requires the Company to perform a hypothetical purchase allocation to compare the current implied fair value of the goodwill to the current carrying value of the goodwill. In the event that the current fair value of the goodwill is less than the carrying value, an impairment charge is recognized. The Company performs this test annually in its fiscal fourth quarter.

***Pension Plans*—**The Company has certain defined benefit pension plans. The Company calculates the market-related value of assets, which is used to determine the return-on-assets component of annual pension expense and the cumulative net unrecognized gain or loss subject to amortization. This calculation reflects the Company's anticipated long-term rate of return and amortization of the difference between the actual return (including capital, dividends, and interest) and the expected return over a five-year period. Cumulative net unrecognized gains or losses that exceed 10% of the greater of the projected benefit obligation or the market related value of plan assets are subject to amortization.

***Insurance Reserves*—**The Company maintains insurance for business risks. Insurance coverage contains various retention and deductible amounts for which the Company provides accruals based upon reported claims and an actuarially determined estimated liability for certain claims incurred but not reported. For certain professional liability risks, the Company's retention amount under its claims-made insurance policies does not include an accrual for claims incurred but not reported due to the Company's inability to reliably estimate any potential liability including any potential legal expense to be incurred in defending the Company's position against such claims if they occur. The Company believes that its accruals for estimated liabilities associated with professional and other liabilities are sufficient and any excess liability beyond the accrual is not expected to have a material adverse effect on the Company's results of operations or financial position.

Foreign Currency Translation**—**Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other comprehensive income/(loss) in stockholders' equity. The cumulative foreign currency translation adjustments at September 30, 2005 and 2006, was $(1.8) million and $9.4 million, respectively.

Accounting for Derivative Instruments and Hedging**—**SFAS No. 133, *Accounting for Derivative Instruments and Hedging* requires all derivatives to be stated on the balance sheet at fair value. Derivatives that are not hedges or are ineffective hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through income or recognized in other comprehensive income/(loss) until the hedged item is recognized in

2. Significant Accounting Policies (Continued)

earnings. The Company's derivatives are recorded on the balance sheet at fair value and changes in the value of the derivatives are adjusted through income. As of September 30, 2006, the Company had no derivative instruments reflected on its balance sheet.

Selling, General and Administrative Expenses**—**Selling, general and administrative expenses are expensed in the period incurred.

Income Taxes**—**The Company files a consolidated federal income tax return and combined California franchise tax return. In addition, the Company files other returns that are required in the states and jurisdictions in which it does business, which includes the Company and its subsidiaries. The Company accounts for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. In determining the need for a valuation allowance, management reviewed both positive and negative evidence, including current and historical results of operations, future income projections, and potential tax planning strategies. Based upon management's assessment of all available evidence, the Company has concluded that it is more likely than not that the deferred tax assets will be realized, net of valuation allowance.

Earnings Per Share**—**Basic earnings per share (EPS) excludes dilution and is computed by dividing the income available to common stock and common stock unit holders by the weighted average number of shares and units outstanding for the period. Diluted EPS is computed by dividing income available to common stock and common stock unit holders by the weighted average number of shares and units outstanding and the weighted average number of potential common shares. Potential common shares include the dilutive effects of outstanding stock options, stock match shares and units, preferred stock and warrants. The issuance of stock match shares and units is reflected in basic EPS on the last day of the fiscal quarter when the actual number of shares and units is determined based on the quarter-end price per share and in diluted EPS when the match is accrued based on the then current price per share.

Stock-Based Compensation**—**The Company's stock compensation plans including its employee stock option plan are accounted for in accordance with Accounting Principles Board Opinion No. 25, "*Accounting for Stock Issued to Employees"* (APB 25) and related interpretations. Under APB 25, to the extent the exercise price equals or exceeds the market price of the underlying stock on the date of the grant, no compensation expense is recognized for options granted to employees.

Recently Issued Accounting Pronouncements**—**In September 2006, the Financial Accounting Standards Board, or FASB, issued SFAS No. 158, *"Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans"* (SFAS 158). SFAS 158 requires employers to fully recognize the obligations associated with defined benefit pension plans in their financial statements. The Company will be required to recognize such obligations as of September 30, 2007. Additionally, the Company will be required to measure such obligations as of the end of its fiscal year, rather than up to three months earlier as had been previously permitted, effective in its fiscal year ending September 30, 2009. The Company is currently evaluating the impact of the provisions of SFAS 158 on its results of operations and financial position.

In September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements"* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The provisions of SFAS 157 are effective for the fiscal

2. Significant Accounting Policies (Continued)

year ending September 30, 2009. The Company is currently evaluating the impact of the provisions of SFAS 157 on its results of operations and financial position.

In June 2006, the FASB issued FASB Interpretation FIN, No. 48, "*Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109*" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. FIN 48 prescribes that a company should use a more-likely-than-not recognition threshold based on the technical merits of the tax position taken. Additionally, FIN 48 provides guidance on recognition or de-recognition of interest and penalties, changes in judgment in interim periods, and disclosures of uncertain tax positions. FIN 48 becomes effective for the Company in fiscal year beginning October 1, 2007. The Company is in the process of determining the effect of the adoption of FIN 48 on its results of operations and financial position.

In May 2005, the FASB issued SFAS No. 154, *"Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and FASB Statement No. 3"* (SFAS 154), which applies to all voluntary changes in accounting principle, as well as to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. APB Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized in net income as a cumulative effect of changing to the new accounting principle. SFAS 154 now requires retrospective application to prior periods' financial statements for changes in accounting principle, unless it is impracticable to do so. SFAS 154 becomes effective for the Company in fiscal year beginning October 1, 2007. The Company does not currently anticipate any voluntary changes in accounting principle or errors that would require such retroactive application.

In December 2004, the FASB issued its final SFAS on accounting for share-based payments (SBPs) SFAS No. 123 (revised 2004), "*Share-Based Payments"* (SFAS 123R) that requires the Company to expense the value of employee stock options and similar awards. Under SFAS 123R, SBP awards result in a cost that will be measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest. Compensation expense for awards that vest would not be reversed if the awards expire without being exercised. SFAS 123R becomes effective for the Company in its fiscal year beginning October 1, 2006. Upon adoption of SFAS 123R, the Company will adopt the prospective transition method. Under this method, prior periods will not be restated to reflect the impact of SFAS 123R. To the extent that the Company issues stock options after October 1, 2006, results of operations will be negatively impacted.

3. Mergers and Acquisitions

In fiscal year 2004, the Company consummated the following two strategic merger and acquisition transactions:

- *Planning and Development Collaborative International, Inc., (PADCO).* In April 2004, the Company acquired 100% of the capital stock of PADCO, a Virginia-based professional technical services firm which provides services to the U.S. Agency for International Development and other multi-lateral aid and development agencies. The consideration consisted of cash and Company common stock.
- *UMA Group Ltd. (UMA).* In September 2004, the Company acquired 100% of the capital stock of UMA, a Vancouver, B.C.-based professional technical services firm which provides services to

3. Mergers and Acquisitions (Continued)

community infrastructure, earth and water, industrial and transportation market sectors. The consideration consisted of cash and exchangeable stock of a subsidiary.

The aggregate value of all consideration for the fiscal 2004 mergers and acquisitions was approximately $35.5 million.

In fiscal year 2005, the Company consummated seven merger and acquisition transactions, the largest of which was:

Tiger Acquisition Corp. In September 2005, the Company acquired 100% of the capital stock of Tiger Acquisition Corp., parent company of ENSR International, a U.S.-based professional technical services firm and a leader in the environmental management market. The consideration was valued at $135.0 million and consisted of cash.

In addition, in fiscal year 2005, the Company consummated other strategic merger and acquisition transactions including the following:

- *W.E. Bassett (Bassett).* In October 2004, the Company acquired 100% of the capital stock of Bassett, an Australian professional technical services firm which specializes in building engineering. The consideration consisted of cash and Company common stock.
- *The Austin Company (Austin).* In January 2005, the Company acquired certain assets and certain liabilities of two offices of Austin, an Illinois-based professional technical services firm which is a leader in design-build projects. Subsequent to the acquisition, the Company combined those purchased assets with certain of its other design-build operations to form Austin-AECOM. The consideration consisted of cash.
- *Bullen Consultants Limited (Bullen).* In March 2005, the Company acquired 100% of the capital stock of Bullen, a U.K.-based professional technical services firm which specializes in transportation and environmental engineering. The consideration consisted of cash and Company common stock.

Further, in fiscal year 2005, small niche acquisitions included JWD Group, a California-based professional technical services firm, Entranco, Inc. a Washington-based professional technical services firm and JF Thompson, a Texas-based professional technical services firm.

The aggregate value of all consideration for the fiscal 2005 mergers and acquisitions was approximately $176.7 million.

In fiscal year 2006, the Company consummated four merger and acquisition transactions, the largest of which was:

EDAW, Inc. (EDAW). In December 2005, the Company acquired 100% of the capital stock of EDAW, a San-Francisco based professional technical services firm which specializes in global urban development and planning projects. The consideration was valued at $70.0 million and consisted of cash and Company common stock and is subject to a purchase allocation adjustment based upon the final determination of its tangible and intangible net asset value as of the date of acquisition.

3. Mergers and Acquisitions (Continued)

In addition, in fiscal year 2006 the Company consummated the following strategic merger and acquisition transaction:

Cansult Limited (Cansult). In September 2006, the Company, through its wholly-owned subsidiary AECOM CM Holding Corporation, acquired 100% of the capital stock of Cansult, a Toronto, Canada-based professional technical services firm that is a market leader in the infrastructure development in the UAE. The consideration consisted of cash and is subject to a purchase allocation adjustment based upon the final determination of its tangible and intangible net asset value as of the date of acquisition. Simultaneous with the transaction, the Company made a capital contribution into Cansult. The proceeds of this capital contribution were primarily used to fund the payment of certain employment-related liabilities. Subsequent to the transaction, Cansult was combined with certain of the Company's Middle Eastern subsidiaries to form the operating company Cansult Maunsell.

Further, in fiscal year 2006, small niche acquisitions included Pittndrigh, Shinkfield and Bruce, a Sydney, Australia based professional technical services firm and City Planning Consultants Limited, a Hong-Kong, China-based professional technical services firm.

The aggregate value of all consideration for the fiscal 2006 mergers and acquisitions was approximately $89.5 million.

The following table summarizes the estimated fair values, in thousands, of the assets acquired and liabilities assumed as of the dates of the acquisitions:

	Fiscal Year Ended September 30, 2005	Fiscal Year Ended September 30, 2006
Current assets	$ 99,158	$ 91,064
Property and equipment	10,175	7,062
Other non-current assets	7,284	931
Goodwill	101,628	55,643
Other intangible assets	20,290	9,600
Current liabilities	(59,529)	(72,824)
Other non-current liabilities	(2,319)	(1,982)
Net assets acquired	$ 176,687	$ 89,494

All of the acquisitions above were accounted for under the purchase method of accounting. As such, the purchase consideration of each acquired company was allocated to acquired tangible and intangible assets and liabilities based upon their fair values. The excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill and is included in the accompanying consolidated balance sheets. The results of operations of each of the companies acquired have been included in the Company's financial statements from the dates of acquisition.

3. Mergers and Acquisitions (Continued)

The table below presents summarized unaudited pro forma operating results assuming that the Company had acquired UMA, ENSR, EDAW and Cansult at the beginning of the fiscal years immediately preceding each acquisition (the beginning of fiscal year 2004, 2004, 2005 and 2006, respectively) presented (in thousands, except per share data-unaudited):

	Fiscal Year Ended September 30, 2004	Fiscal Year Ended September 30, 2005	Fiscal Year Ended September 30, 2006
Revenue	$ 2,254,285	$ 2,769,800	$ 3,508,587
Income from operations	$ 83,064	$ 96,756	$ 119,729
Net income available for common stockholders	$ 43,300	$ 49,755	$ 60,478
Earnings per share:			
Basic	$ 1.61	$ 1.81	$ 2.18
Diluted	$ 1.49	$ 1.65	$ 1.71
Weighted average shares outstanding:			
Basic	26,890	27,476	27,694
Diluted	32,717	33,525	36,598

4. Goodwill and Other Intangible Assets

Effective October 1, 2001, the Company adopted SFAS No. 142, "*Goodwill and Other Intangible Assets.*" This statement changed the accounting method for goodwill and indefinite-lived intangible assets from an amortization approach to an impairment-only approach. The Company did not record a transitional goodwill impairment charge nor has it incurred any goodwill impairment charges since its adoption of this standard.

The changes in the carrying value of goodwill by segment for the fiscal years ended September 30, 2005 and September 30, 2006 were as follows:

	Fiscal Year 2005			
	September 30, 2004	Goodwill Additions	Post-Acquisition Adjustments	September 30, 2005
	(in thousands)			
Reporting Unit :				
Professional Technical Services	$ 284,411	$ 88,958	$ 21,761	$ 395,130
Management Support Services	8,933	—	—	8,933
Total	$ 293,344	$ 88,958	$ 21,761	$ 404,063

	Fiscal Year 2006			
	September 30, 2005	Goodwill Additions	Post-Acquisition Adjustments	September 30, 2006

	(in thousands)			
Reporting Unit:				
Professional Technical Services	$ 395,130	$ 61,273	$ 1,172	$ 457,575
Management Support Services	8,933	—	—	8,933
Total	$ 404,063	$ 61,273	$ 1,172	$ 466,508

4. Goodwill and Other Intangible Assets (Continued)

The gross amounts and accumulated amortization of the Company's acquired identifiable intangible assets with finite useful lives as of September 30, 2005 and September 30, 2006, included in Intangible and other assets—net in the accompanying Consolidated Balance Sheets, were as follows:

Identifiable Intangible Assets:	September 30, 2005 Gross Amount	September 30, 2005 Accumulated Amortization	September 30, 2006 Gross Amount	September 30, 2006 Accumulated Amortization
	(in thousands)			
Backlog	$ 8,052	$ 2,348	$ 16,687	$ 15,254
Customer relationships	22,313	619	18,179	2,180
Trademarks/Trade-names	4,900	82	899	163
Total	$ 35,265	$ 3,049	$ 35,765	$ 17,597

Identifiable intangible assets acquired during the fiscal years ended September 30, 2005 and September 30, 2006 consisted of the following amounts, in thousands, with the following weighted average amortization periods:

Identifiable Intangible Assets:	September 30, 2005 Value Ascribed	September 30, 2005 Weighted Average Life	September 30, 2006 Value Ascribed	September 30, 2006 Weighted Average Life
Backlog	$ 9,283	1.1 years	$ 5,485	0.9 years
Customer relationships	10,407	10.0 years	3,816	10.0 years
Trademarks/Trade-names	600	5.0 years	299	5.0 years
Total	$ 20,290	5.8 years	$ 9,600	4.7 years

At the time of acquisition, the Company estimates the amount of the identifiable intangible assets acquired based upon historical valuations and the facts and circumstances available at the time. The Company concludes the value of identifiable intangible assets during the purchase allocation period. This period may cross into the next fiscal year. For the years ended September 30, 2005 and September 30, 2006, the Company's amortization expense for acquired intangible assets with finite useful lives was $3.0 million and $14.5 million, respectively. The following table presents, in thousands, estimated future amortization expense for acquired intangibles:

2007	$ 2,969
2008	2,459
2009	1,998
2010	1,988
2011	1,844
Thereafter	6,910
Total	$ 18,168

The goodwill and other identifiable intangible assets created in the acquisitions are amortizable for tax purposes relative to the Austin and Entranco acquisitions. The goodwill and other identifiable intangibles created in the acquisitions, relative to the remaining acquisitions, are not amortizable for tax purposes.

5. Accounts Receivable—Net

Net accounts receivable consisted of the following as of September 30, 2005 and September 30, 2006:

	Fiscal Year Ended September 30, 2005	Fiscal Year Ended September 30, 2006
	(in thousands)	
Billed	$ 408,337	$ 543,606

Unbilled	291,495	372,034
Contract retentions	31,096	38,921
Total accounts receivable—gross	730,928	954,561
Allowance for doubtful accounts	(27,091)	(41,383)
Total accounts receivable—net	$ 703,837	$ 913,178
Billings in excess of costs on uncompleted contracts	$ 122,825	$ 143,283

Billed accounts receivable represent amounts invoiced to clients that have yet to be collected. Contract retentions represent amounts invoiced to clients; however payment has been withheld pending the completion of certain milestones, other contractual conditions or upon the completion of the project. These retention agreements vary from project to project and could be outstanding several months or years. Unbilled accounts receivable represents revenue recognized but not yet invoiced to the client due to contract terms or the timing of accounting invoicing cycles. Substantially all unbilled receivables as of September 30, 2006 are expected to be billed and collected within twelve months.

Other than U.S. government, no single client accounted for more than 10% of the Company's outstanding receivables at September 30, 2005 and September 30, 2006.

6. Off Balance Sheet Risk and Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and trade receivables. The Company's cash balances and short-term investments are maintained in accounts held by major banks and financial institutions located primarily in the United States, Europe, Australia, New Zealand and Hong Kong. In the U.S., the Company invests its excess cash through a major bank in commercial paper of companies with strong credit ratings and in a variety of industries, and through a large financial asset manager in various marketable debt securities. These securities typically mature within 30 days and, therefore, bear minimal risk. If the Company extends a significant portion of its credit to clients in a specific geographic area or industry, the Company may experience disproportionately high levels of default if those clients are adversely affected by factors particular to their geographic area or industry. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, including, in large part, governments, government agencies and quasi-government organizations, and their dispersion across many different industries and geographies. In fiscal year 2006, foreign revenues represented approximately 27.0% of the Company's total revenues. In order to mitigate credit risk, the Company continually reviews the credit worthiness of its major private clients.

7. Income Taxes

Income tax expense for fiscal years 2004, 2005 and 2006 consisted of the following:

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Current:			
Federal	$ 9,547	$ 3,399	$ 19,135
State	3,078	3,219	5,916
Foreign	6,585	9,268	12,308
Total current income tax expense	19,210	15,886	37,359
Deferred:			
Federal	3,541	13,223	(10,388)
State	3,233	(130)	(3,165)
Foreign	—	—	1,417
Total deferred income tax expense/(benefit)	6,774	13,093	(12,136)
Total income tax expense	$ 25,984	$ 28,979	$ 25,223

7. Income Taxes (Continued)

Temporary differences comprising the net deferred income tax asset (liability) shown on the accompanying consolidated balance sheets were as follows:

	Fiscal Year Ended	
	September 30, 2005	September 30, 2006
	(in thousands)	

Deferred Tax Asset:		
Compensation and benefit accruals not currently deductible	$ 64,025	$ 94,124
Gain on the disposal of assets	—	6,892
Net operating loss carryover	40,996	44,854
Self insurance reserves	14,398	22,511
R&D tax credit carryover	24,906	7,680
Pension liability	30,896	23,918
Foreign tax attributes	1,997	1,817
Accrued liabilities	7,929	12,816
Foreign and other tax credits	391	256
Investments in joint ventures/non-controlled subsidiaries	540	554
Other	—	156
Total deferred tax asset	186,078	215,578
Deferred Tax Liability:		
Unearned revenue	(50,490)	(75,388)
Depreciation and amortization	(13,266)	(18,842)
Acquired intangible assets	(12,835)	—
State taxes	(130)	(4,611)
Other	(187)	—
Total deferred tax liability	(76,908)	(98,841)
Valuation allowance	(57,180)	(31,112)
Net deferred tax asset	$ 51,990	$ 85,625

As of September 30, 2006, the Company had state research & development (R&D) credit carry-forwards for income tax purposes of approximately $7.7 million, which will begin to expire in 2020, Federal net operating loss carry-forwards of approximately $103.8 million and state net operating loss carry-forwards of approximately $123.9 million, both of which will begin to expire in 2007. Under the Tax Reform Act of 1986, Federal and California tax credits may be subject to a future annual limitation on their usage if the Company has an ownership change as defined in the Internal Revenue Code, or IRC.

As of September 30, 2006, the deferred tax asset was $215.6 million. The Company has recorded a valuation allowance of approximately $31.1 million related to state R&D tax credits, net operating loss carryovers and foreign tax attributes. The Company has performed the required assessment of positive and negative evidence regarding the realization of the net deferred tax asset in accordance with SFAS No. 109, *"Accounting for Income Taxes."* This assessment included the evaluation of scheduled reversals of deferred tax liabilities, the availability of carry-forwards and estimates of projected future taxable income. Although realization is not assured, based on the Company's assessment, the Company has concluded that it is more

7. Income Taxes (Continued)

likely than not that the remaining asset of $184.5 million will be realized and, as such, no additional valuation allowance has been provided.

Total income tax expense was different than the amount computed by applying the Federal statutory rate as follows:

	Fiscal Year Ended					
	September 30, 2004		September 30, 2005		September 30, 2006	
	Amount	%	Amount	%	Amount	%
			($ in thousands)			
Tax at federal statutory rate	$ 26,747	35%	$ 28,977	35%	$ 27,619	35%
Tax credits	(759)	(1)%	—	—%	—	—%
State taxes, net of Federal benefit	3,078	4%	3,219	4%	1,788	2%
Foreign income tax	(4,597)	(6)%	(5,528)	(7)%	(2,498)	(3)%
Foreign tax attributes	1,450	2%	—	—%	—	—%
Section 965 dividend	—	—%	—	—%	2,495	3%
Disallowance of meals & entertainment expense	774	1%	827	1%	770	1%
Other permanent differences	740	1%	1,484	2%	(1,105)	(1)%
Valuation allowance	(1,449)	(2)%	—	—%	(3,846)	(5)%
Total income tax expense	$ 25,984	34%	$ 28,979	35%	$ 25,223	32%

The Company's income tax returns are regularly audited and reviewed by the Internal Revenue Service (IRS) and state taxing authorities. During the fourth quarter of 2006, the IRS completed an examination and its Joint Committee review for fiscal years 1996 through 2004. The major issue raised by the IRS related to R&D tax credits recognized during fiscal years 2000 through 2004. The amount of R&D tax credits recognized for financial statement purposes represented the amount that the Company estimated would be ultimately realized. However, with the completion of the examination and review, the Company has determined that the amount of R&D tax credits to which the Company is entitled to is more than the estimated realizable amount. Consequently, the Company has recognized a decrease in the valuation allowance for the Federal R&D tax credits of $3.8 million.

The Company has not provided for U.S. taxes or foreign withholding taxes on approximately $71.8 million of undistributed earnings from non-U.S. subsidiaries because such earnings are intended to be reinvested indefinitely. If these earnings were distributed, foreign tax credits may become available under current law to reduce the resulting U.S. income tax liability.

During October 2004, The American Jobs Creation Act of 2004 (the Act) was signed into law, adding Section 965 to the IRC. Section 965 of the IRC provides a special one-time deduction of 85.0% of certain foreign earnings that are repatriated under a domestic reinvestment plan, as defined therein. The effective Federal tax rate on any qualified repatriated foreign earnings under Section 965 equals 5.25%. The Company could elect to apply this provision to a qualified earnings repatriation made during its fiscal year 2006. During the fourth quarter of 2006, the Company and its Board of Directors approved a plan to repatriate approximately $67.0 million in previously un-remitted foreign earnings under the Act, which were remitted in the Company's fourth quarter of 2006. Of the $67.0 million of earnings repatriated from its foreign subsidiaries, approximately $61.7 million qualifies for the 85.0% dividends received deduction

7. Income Taxes (Continued)

under Section 965. A tax provision of approximately $2.5 million for the repatriation of certain foreign earnings has been recorded as income tax expense for year ended September 30, 2006.

8. Investments in Unconsolidated Joint Ventures

The Company's unconsolidated joint ventures provide architecture, engineering, program management, construction management and operations and maintenance services. Joint ventures, the combination of two or more partners, are generally formed for a specific project. Management of the joint venture is typically controlled by a joint venture executive committee, comprised of a representative from each joint venture partner with equal voting rights, irrespective of the ownership percentage. The ownership percentage is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. The executive committee provides management oversight and assigns work efforts to the joint venture partners.

The majority of the Company's unconsolidated joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's own employees perform work for the joint venture, which is then billed to a third-party customer by the joint venture. These joint ventures function as pass through entities to bill the third-party customer. The Company includes the services performed for these joint ventures, and the costs associated with these services, in the Company's results of operations. In certain joint ventures where a fee is added by the joint venture to client billings, the Company's portion of that fee is recorded in equity in earnings of joint ventures.

The Company also has unconsolidated joint ventures that have their own employees and operating expenses and to which the Company generally makes a capital contribution. These joint ventures generally provide operations and maintenance services for governmental facilities. The Company accounts for these joint ventures using the equity method.

8. Investments in Unconsolidated Joint Ventures (Continued)

Summary financial information on the unconsolidated joint ventures is as follows:

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Financial position:			
Current assets	$ 23,271	$ 82,566	$ 149,547
Current liabilities	(17,787)	(44,864)	(105,767)
Working capital	5,484	37,702	43,780
Non-current assets	5,466	6,632	9,794
Non-current liabilities	(214)	(1,384)	(3,047)
Joint ventures' equity	$ 10,736	$ 42,950	$ 50,527
Amount recorded as investment in joint ventures	$ 8,993	$ 19,230	$ 19,943
Joint Ventures'			
Total revenues	$ 421,536	$ 508,007	$ 966,938
Cost of revenues	414,576	495,794	947,415
Net income	$ 6,960	$ 12,213	$ 19,523
Equity in earnings of joint ventures	$ 2,517	$ 2,352	$ 6,554

9. Property and Equipment

Property and equipment, at cost, consists of the following:

Fiscal Year Ended

	September 30, 2005	September 30, 2006
	(in thousands)	
Land	$ 1,354	$ —
Buildings	11,029	—
Leasehold improvements	23,685	31,539
Computer systems and equipment	55,743	72,359
Furniture and fixtures	14,095	10,923
Automobiles	1,987	1,919
Total	107,893	116,740
Accumulated depreciation and amortization	(28,365)	(26,417)
Property and equipment, net	$ 79,528	$ 90,323

Depreciation expense for the fiscal years ended September 30, 2005 and September 30, 2006 was $16.3 million and $24.2 million, respectively. Amortization expense of capitalized software costs for fiscal years ended September 30, 2005 and September 30, 2006 was $2.3 million and $3.9 million, respectively. The unamortized capitalized software costs at September 30, 2005 and September 30, 2006 were $19.9 million and $21.5 million, respectively. During the fiscal years ended September 30, 2005 and September 30, 2006, the Company retired $11.6 million and $8.1 million, respectively, of fully depreciated equipment.

9. Property and Equipment (Continued)

Depreciation and amortization are provided using primarily the straight-line method over the estimated useful lives of the assets, or, in the case of leasehold improvements and capitalized leases, the lesser of the remaining life of the lease or its estimated useful life. Estimated useful lives for the building was 20 years and ranges from two to 12 years for leasehold improvements, three to seven years for machinery and equipment, five to 10 years for furniture and fixtures and three to 10 years for automobiles and trucks**.**

10. Employee Benefit Plans

Pension Plan—In the United States, the Company sponsors a Defined Benefit Pension Plan (the Pension Plan) which covers substantially all permanent employees hired as of March 1, 1998, is subject to eligibility and vesting requirements, and required contributions from participating employees through March 31, 1998. Benefits under this plan generally are based on the employee's years of creditable service and compensation. Effective April 1, 2004, the Company set a maximum on the amount of compensation used to determine pension benefits based on the highest calendar year of compensation earned in the 10 completed calendar years from 1994 through 2003, or the relevant IRS annual compensation limit, currently $200,000, whichever is lower.

Effective April 1, 1998, the Company adopted a new Floor Offset Defined Contribution Pension Plan (the 401k Pension Plan) to replace the Pension Plan. The 401(k) Pension Plan accepts pre-tax and after-tax contributions from participants in amounts up to 1.5% of compensation, which are then matched dollar for dollar by the Company, and are invested in the Defined Contribution 401 (k) account. Company matches become vested five years after participant's date of hire. The benefits of participants who were enrolled in the Pension Plan as of March 1, 1998, are grandfathered: i.e., upon retirement, the participant will receive the balance in the participant's Defined Contribution Account and, in addition, the Pension Plan will pay the participant a benefit actuarially based on the difference between the benefit calculated under the Pension Plan and the balance that the participant will have in his or her Defined Contribution Account, if the participant contributes 1.5% from April 1, 1998, until the participant's retirement, and, if the Defined Contribution Account remains invested in the Retirement Benchmark Fund. In the event that a participant elects to contribute less than 1.5% or moves the participant's Defined Contribution Account out of the Retirement Benchmark Fund prior to retirement, the Pension Plan will pay the participant a differential, wherein the total benefit may be more or less than the benefit provided for under the Pension Plan depending on the amount of the participant's contributions and the performance of the participant's self-directed investment. In the case of highly compensated employees, in order to comply with IRS requirements, some, or all, of this differential may be paid by the Company rather than by the Pension Plan. Employees who were not participants in the Pension Plan as of March 1, 1998, will be entitled to receive only the vested balance in their Defined Contribution Account. Outside the United States, the Company sponsors various pension plans which are appropriate to the country in which the Company operates, some of which are government mandated.

The following tables provide reconciliations of the changes in the total Company's, U.S.' and non-U.S.' plans' benefit obligations and reconciliations of the changes in the fair value of assets for the years ending September 30, 2004, 2005, and 2006, and reconciliations of the funded status as of September 30 of each year.

10. Employee Benefit Plans (Continued)

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Total Company			

Change in Benefit Obligation:			
Benefit obligation at beginning of year	$ 300,499	$ 324,687	$ 432,896
Service cost	8,283	7,722	8,325
Participant contributions	3,081	3,706	2,980
Interest cost	16,697	19,989	21,959
Plan amendments	(16,968)	—	424
Benefits paid	(9,525)	(12,599)	(14,752)
Actuarial (gain) loss	7,549	56,005	(24,569)
Acquisitions	—	38,452	(277)
Foreign currency translation loss (gain)	15,071	(5,066)	17,760
Benefit obligation at end of year	$ 324,687	$ 432,896	$ 444,746
U.S. Plans			
Change in Benefit Obligation:			
Benefit obligation at beginning of year	$ 115,712	$ 110,164	$ 130,109
Service cost	3,624	2,987	3,060
Participant contributions	444	406	243
Interest cost	6,534	6,710	6,711
Plan amendments	(8,665)	—	424
Benefits paid	(5,255)	(6,025)	(7,526)
Actuarial (gain) loss	(2,230)	15,867	(10,042)
Acquisitions	—	—	—
Foreign currency translation loss (gain)	—	—	—
Benefit obligation at end of year	$ 110,164	$ 130,109	$ 122,979
Non-U.S. Plans			
Change in Benefit Obligation:			
Benefit obligation at beginning of year	$ 184,787	$ 214,523	$ 302,787
Service cost	4,659	4,735	5,265
Participant contributions	2,637	3,300	2,737
Interest cost	10,163	13,279	15,248
Plan amendments	(8,303)	—	—
Benefits paid	(4,270)	(6,574)	(7,226)
Actuarial (gain) loss	9,779	40,138	(14,527)
Acquisitions	—	38,452	(277)
Foreign currency translation loss (gain)	15,071	(5,066)	17,760
Benefit obligation at end of year	$ 214,523	$ 302,787	$ 321,767

10. Employee Benefit Plans (Continued)

	Fiscal Year Ended September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Total Company			
Change in Plan Assets:			
Fair value of plan assets at beginning of year	$ 172,055	$ 215,246	$ 278,703
Actual return on plan assets	26,726	26,101	27,523
Acquisitions	—	27,250	(277)
Employer contributions	15,336	23,079	22,282
Participant contributions	3,081	3,706	2,980
Benefits paid	(9,525)	(12,599)	(14,752)
Administrative expenses	(1,236)	(1,249)	—
Foreign currency translation (loss) gain	8,809	(2,831)	12,154
Fair value of plan assets at end of year	$ 215,246	$ 278,703	$ 328,613
U.S. Plans			
Change in Plan Assets:			
Fair value of plan assets at beginning of year	$ 63,263	$ 75,049	$ 80,662
Actual return on plan assets	10,897	5,868	8,132
Acquisitions	—	—	—
Employer contributions	6,936	6,613	7,864
Participant contributions	444	406	243
Benefits paid	(5,255)	(6,025)	(7,526)
Administrative expenses	(1,236)	(1,249)	—
Foreign currency translation (loss) gain	—	—	—

Fair value of plan assets at end of year	$ 75,049	$ 80,662	$ 89,375
Non-U.S. Plans			
Change in Plan Assets:			
Fair value of plan assets at beginning of year	$ 108,792	$ 140,197	$ 198,041
Actual return on plan assets	15,829	20,233	19,391
Acquisitions	—	27,250	(277)
Employer contributions	8,400	16,466	14,418
Participant contributions	2,637	3,300	2,737
Benefits paid	(4,270)	(6,574)	(7,226)
Administrative expenses	—	—	—
Foreign currency translation (loss) gain	8,809	(2,831)	12,154
Fair value of plan assets at end of year	$ 140,197	$ 198,041	$ 239,238

10. Employee Benefit Plans (Continued)

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Total Company			
Reconciliation of Funded Status:			
Funded status at end of year	$ (109,441)	$ (154,193)	$ (116,133)
Unrecognized actuarial loss	84,928	113,805	84,033
Unrecognized prior service cost	(18,060)	(15,768)	(13,838)
Accrued benefit cost	(42,573)	(56,156)	(45,938)
Contribution made after measurement date	10,100	7,124	12,586
Accrued benefit cost	$ (32,473)	$ (49,032)	$ (33,352)
U.S. Plans			
Reconciliation of Funded Status:			
Funded status at end of year	$ (35,115)	$ (49,447)	$ (33,604)
Unrecognized actuarial loss	33,004	40,713	28,949
Unrecognized prior service cost	(8,116)	(6,877)	(5,295)
Accrued benefit cost	(10,227)	(15,611)	(9,950)
Contribution made after measurement date	27	28	159
Accrued benefit cost	$ (10,200)	$ (15,583)	$ (9,791)
Non-U.S. Plans			
Reconciliation of Funded Status:			
Funded status at end of year	$ (74,326)	$ (104,746)	$ (82,529)
Unrecognized actuarial loss	51,924	73,092	55,084
Unrecognized prior service cost	(9,944)	(8,891)	(8,543)
Accrued benefit cost	(32,346)	(40,545)	(35,988)
Contribution made after measurement date	10,073	7,096	12,427
Accrued benefit cost	$ (22,273)	$ (33,449)	$ (23,561)

In accordance with the provisions of SFAS No. 87, *"Employers Accounting for Pensions"* (SFAS 87) the Company recorded a minimum pension liability representing the excess of the accumulated benefit obligation over the fair value of plan assets. The liability has been offset by intangible assets to the extent possible. Because the asset recognized may not exceed the amount of unrecognized past service cost, the balance of the liability is reported in accumulated other comprehensive income, net of applicable deferred income taxes.

10. Employee Benefit Plans (Continued)

The following table sets forth the amounts recognized in the balance sheet as of September 30 of each year:

Fiscal Year Ended

	September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Total Company			
Amounts Recognized in the Balance Sheet:			
Prepaid benefit costs	$ 4,740	$ 5,585	$ 6,040
Accrued benefit liability (included in other long-term liabilities)	(84,591)	(126,642)	(99,117)
Intangible assets	11	1,278	1,008
Accumulated other comprehensive income	37,267	63,623	46,131
Contribution made after measurement date	10,100	7,124	12,586
Net amount recognized at year-end	$ (32,473)	$ (49,032)	$ (33,352)
U.S. Plans			
Amounts Recognized in the Balance Sheet:			
Prepaid benefit costs	$ —	$ —	$ —
Accrued benefit liability (included in other long-term liabilities)	(28,330)	(43,809)	(29,392)
Intangible assets	11	1,278	1,008
Accumulated other comprehensive income	18,092	26,920	18,434
Contribution made after measurement date	27	28	159
Net amount recognized at year-end	$ (10,200)	$ (15,583)	$ (9,791)
Non-U.S. Plans			
Amounts Recognized in the Balance Sheet:			
Prepaid benefit costs	$ 4,740	$ 5,585	$ 6,040
Accrued benefit liability (included in other long-term liabilities)	(56,261)	(82,833)	(69,725)
Intangible assets	—	—	—
Accumulated other comprehensive income	19,175	36,703	27,697
Contribution made after measurement date	10,073	7,096	12,427
Net amount recognized at year-end	$ (22,273)	$ (33,449)	$ (23,561)

10. Employee Benefit Plans (Continued)

The following table details the components of net periodic benefit cost for the plans in fiscal years 2004, 2005 and 2006:

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Total Company			
Components of Net Periodic Benefit Cost:			
Service cost	$ 8,283	$ 7,722	$ 8,325
Interest cost	16,697	19,989	21,959
Expected return on plan assets	(16,274)	(18,989)	(20,191)
Amortization of prior service costs	(1,198)	(2,122)	(2,037)
Recognized actuarial loss	5,108	5,908	11,565
Settlement loss	—	399	—
Net periodic benefit cost	12,616	12,907	19,621
Company matches in 401(k) plan	5,041	5,234	6,474
Total net periodic benefit cost and company matches	$ 17,657	$ 18,141	$ 26,095
U.S. Plans			
Components of Net Periodic Benefit Cost:			
Service cost	$ 3,624	$ 2,987	$ 3,060
Interest cost	6,534	6,710	6,711
Expected return on plan assets	(5,800)	(6,167)	(6,482)
Amortization of prior service costs	(642)	(1,239)	(1,158)
Recognized actuarial loss	4,247	3,821	5,730
Settlement loss	—	—	—
Net periodic benefit cost	7,963	6,112	7,861
Company matches in 401(k) plan	5,041	5,234	6,474
Total net periodic benefit cost and company matches	$ 13,004	$ 11,346	$ 14,335
Non-U.S. Plans			
Components of Net Periodic Benefit Cost:			
Service cost	$ 4,659	$ 4,735	$ 5,265
Interest cost	10,163	13,279	15,248
Expected return on plan assets	(10,474)	(12,822)	(13,709)

Amortization of prior service costs	(556)	(883)	(879)
Recognized actuarial loss	861	2,087	5,835
Settlement loss	—	399	—
Net periodic benefit cost	4,653	6,795	11,760
Company matches in 401(k) plan	—	—	—
Total net periodic benefit cost and company matches	$ 4,653	$ 6,795	$ 11,760

10. Employee Benefit Plans (Continued)

The amount, net of applicable deferred income taxes, included in other comprehensive income arising from a change in the additional minimum pension liability was $(5.8) million, $26.4 million and $(17.5) million in fiscal 2004, 2005 and 2006, respectively.

The table below provides additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets.

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
		(in thousands)	
Total Company			
Projected benefit obligation	$ 307,015	$ 414,125	$ 423,323
Accumulated benefit obligation	$ 280,821	$ 376,265	$ 390,956
Fair value of plan assets	$ 197,428	$ 258,236	$ 306,146
U.S. Plans			
Projected benefit obligation	$ 110,164	$ 130,108	$ 122,979
Accumulated benefit obligation	$ 103,379	$ 124,471	$ 118,767
Fair value of plan assets	$ 75,049	$ 80,662	$ 89,375
Non-U.S. Plans			
Projected benefit obligation	$ 196,851	$ 284,017	$ 300,344
Accumulated benefit obligation	$ 177,442	$ 251,794	$ 272,189
Fair value of plan assets	$ 122,379	$ 177,574	$ 216,771

The table below provides the expected future benefit payments:

	Total	U.S.	Non-U.S
		(in thousands)	
2007	$ 14,396	$ 6,090	$ 8,306
2008	19,311	11,423	7,888
2009	17,459	8,052	9,407
2010	18,602	8,588	10,014
2011	21,408	8,847	12,561
2012 - 2016	122,830	52,149	70,681

10. Employee Benefit Plans (Continued)

The underlying assumptions for the pension plans are as follows:

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
Major assumptions for U.S.-based plans at plan year-end:			
Discount rate	6.25%	5.25%	5.25%
Rate of increase in compensation levels	4.00%	4.00%	4.00%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%
Major assumptions for U.K./Australia-based plans at plan year-end:			
Discount rate	5.75% / 5.50%	5.75% / 5.50%	5.00%

Rate of increase in compensation levels	3.50%	3.50%	n/a / 3.50%
Expected long-term rate of return on plan assets	7.25%	7.25%	5.00% / 7.00%

Pension costs are determined using the assumptions as of the beginning of the plan year (October 1). The funded status is determined using the assumptions as of the end of the plan year.

The following supplemental information is provided for the qualified plan in the U.S.:

	Fiscal Year Ended	
	September 30, 2005	September 30, 2006
Asset Allocation Information:		
Actual asset allocations:		
Domestic equity	54%	54%
International equity	15%	15%
Debt	30%	27%
Cash	1%	4%
Total	100%	100%

10. Employee Benefit Plans (Continued)

The following supplemental information is provided for the qualified plan in the U.K.:

	Fiscal Year Ended	
	September 30, 2005	September 30, 2006
Asset Allocation Information:		
Actual asset allocations:		
Domestic equity	40% / 43%	36%
International equity	25% / 29%	26%
Debt	31% / 32%	38%
Cash	—%	—%
Total	100%	100%

The following supplemental information is provided for the qualified plan in Australia:

	Fiscal Year Ended	
	September 30, 2005	September 30, 2006
Asset Allocation Information:		
Actual asset allocations:		
Domestic equity	38%	38%
International equity	24%	25%
Property	7%	7%
Debt	24%	28%
Cash	7%	2%
Total	100%	100%

The Company's policy is to minimize the risk of large losses through diversification in a portfolio of stocks, bonds, and cash equivalents which may reflect varying rates of return. The percentage of assets allocated to cash is to assure liquidity to meet benefit disbursements and general operating expenses.

To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio and the diversification of the portfolio. This resulted in the selection of an 8% long-term rate of return on assets assumption for the fiscal year ending September 2006.

Other Plans—In addition, substantially all permanent employees are eligible to participate in other defined contribution plans provided by the Company. Under these plans, participants may make certain contributions as a percentage of their salary. The Company does not make direct cash contributions to these plans; however, it is anticipated that the "Retirement and Savings Plan," or RSP, (Note 14—Stock Plans) will make allocations of the Company's Common Stock (based on Company Contributions of Common Stock to the RSP and/or forfeitures of Common Stock within the RSP) to employee accounts in the RSP and the Company may also make matching contributions of Common Stock Units to the Stock Purchase Plan (Note 14—Stock Plans) both based, in part, on the employee's contributions to these other defined contribution plans.

11. Accrued Expenses

Accrued expenses of the Company consist of the following:

	September 30, 2005	September 30, 2006
	(in thousands)	
Accrued salaries and benefits	$ 153,906	$ 190,504
Accrued contract costs	98,015	153,071
Other accrued expenses	21,935	21,973
Total accrued expenses	$ 273,856	$ 365,548

12. Leases

The Company and its subsidiaries are lessees in non-cancelable leasing agreements for office buildings and equipment which expire at various dates. The following table presents, in thousands, amounts payable under non-cancelable operating lease commitments during the following fiscal years:

Fiscal Year:	Operating
2007	$ 87,163
2008	71,905
2009	60,071
2010	48,580
2011	41,509
Thereafter	137,403
Total	$ 446,631

Included in the above table are commitments totaling $33.3 million related to the sale-leaseback of the Company's Orange, California facility during fiscal 2006. The sales price of this facility was $20.1 million of which $16.9 million in gain on sale-leaseback was deferred and is being amortized over the 12-year term of the lease. See Note 13 for further information.

The Company also has similar non-cancelable leasing agreements that due to the terms of the underlying leases, are accounted for as capital lease obligations. At September 30, 2006, the Company had total lease obligations under capital leases of $1.7 million. Rent expense for the years ended September 30, 2004, 2005, and 2006, was approximately $62.5 million, $65.7 million and $90.6 million, respectively.

13. Long-Term Obligations

Long-term obligations consisted of the following:

	September 30, 2005	September 30, 2006
	(in thousands)	
Amended and Restated Credit Agreement	$ 130,000	$ —
Senior Notes	99,714	68,810
Term Credit Agreement	—	65,000
Short-term borrowings	4,165	2,716
Other Debt	2,843	929
Total long-term obligations	236,722	137,455
Less: Current portion of long-term obligations and short-term borrowings	(20,539)	(14,665)
Long-term obligations, less current portion	$ 216,183	$ 122,790

Amended and Restated Credit Agreement

The Company has an unsecured credit agreement with a syndicate of banks to support its working capital and acquisition needs. On September 22, 2006, the Company amended and restated this agreement, or ARCA, primarily to modify pricing, certain technical terms and to extend the maturity to March 31, 2011, or earlier, at the Company's discretion. As of September 30, 2006, the ARCA provided a revolving line of credit in the amount of $300.0 million which included a sub-limit for standby letters of credit of $50.0 million. The Company may borrow, at its option, at either (a) a base rate (the greater of the federal funds rate plus 0.50% or the bank's reference rate) plus a margin which ranges from 0.00% to 0.25%, or (b) an offshore, or LIBOR, rate plus a margin which ranges from 0.75% to 1.75%. In addition to these borrowing rates, there is a commitment fee which ranges from 0.175% to 0.375% on any unused commitment. Borrowings under the ARCA are limited by certain financial covenants. At September 30, 2005 and September 30, 2006, borrowings under this ARCA totaled $130.0 million and $0.0, respectively. At September 30, 2005 and September 30, 2006, outstanding standby letters of credit totaled $21.1 million and $23.1 million, respectively. At September 30, 2006, the Company had $276.9 million available for borrowing under this ARCA.

Senior Notes

On September 9, 2002, the Company issued $25.0 million of 6.23% senior notes due October 15, 2008, or the October 2008 Notes. The October 2008 Notes are unsecured and have an average life of five years. The annual principal payments of $8.3 million were scheduled to begin October 15, 2006, however, the Company elected to pre-pay the first principal payment in September 2006.

On September 7, 2001, the Company issued $21.0 million of 6.47% senior notes due October 7, 2006, or the October 2006 Notes. The October 2006 Notes were paid in full on September 29, 2006. The October 2006 Notes were unsecured and had an average life of four years. The annual principal payments of $7.0 million began October 7, 2004. The first principal and last principal payments due on the October 2006 Notes were prepaid.

AECOM TECHNOLOGY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Long-Term Obligations (Continued)

On April 14, 2000, the Company issued $35.0 of 8.38% senior notes due April 14, 2012, or the April 2012 Notes. The April 2012 Notes are unsecured and have an average life of 10 years. The annual principal payments of $7.0 million will begin April 14, 2008.

On June 9, 1998, the Company issued $60.0 million of 6.93% senior notes due June 9, 2008, or the June 2008 Notes. The June 2008 Notes are unsecured and have an average life of seven years. The annual principal payments of $8.6 million began June 9, 2002.

All of the senior notes require interest to be paid either quarterly or semi-annually in arrears and are subject to certain financial covenants. Proceeds from the October 2006 Notes, the June 2008 Notes and the October 2008 Notes were used to repay outstanding debt borrowed under the then bank credit agreement while proceeds of the April 2012 Notes were used to fund business acquisitions.

Term Credit Agreement

On September 22, 2006, the Company, through certain of its wholly-owned subsidiaries, closed an unsecured term credit agreement with a syndicate of banks to facilitate dividend repatriations under section 965 of the American Jobs Creation Act. The term credit agreement, or AJCA, provides for a $65.0 million, five-year term loan amongst four subsidiary borrowers and one subsidiary guarantor. In order to obtain favorable pricing, the Company also provided a parent-company guarantee. The terms and conditions of the agreement are substantially similar to those contained in the ARCA. Principal payments are scheduled to begin June 30, 2007, or earlier at the borrowers discretion. At September 30, 2006, borrowings under this AJCA totaled $65.0 million.

Other Debt

The Company also has a $25.0 million unsecured line of credit and a $10.0 million letter of credit line for use outside of the United States.

The Company also issued promissory notes to certain former shareholders of Maunsell and other acquired companies in connection with those mergers and mortgage debt. The promissory notes of $0.9 million due to the former Oscar Faber shareholders carry fixed and LIBOR-indexed interest rates, which at September 30, 2006, was 4.5%. These promissory notes have maturities ranging from January 2006 to April 2010. The mortgage debt of $1.4 million at September 30, 2005 was assumed when the Company bought out its joint venture partner as co-owner of its Orange, California, facility. The Company had previously recorded its interest as a capitalized lease. The mortgage debt required equal monthly payments of principal and interest at 8.75% through September 2008. This debt was repaid in full upon the sale of the facility in May 2006. See Note 12 for further information.

AECOM TECHNOLOGY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Long-Term Obligations (Continued)

The following table presents, in thousands, scheduled maturities of the Company's long-term obligations:

Fiscal Year:	
2007	$ 14,665
2008	30,805
2009	25,485
2010	20,000
2011	39,500
Thereafter	7,000
Total	$ 137,455

14. Stock Plans

Global Stock Program—In 1990, the Company adopted the AECOM Technology Corporation Employee Stock Ownership Plan (the ESOP) covering substantially all permanent U.S. based employees and as of September 30, 1998, all shares in the ESOP had been released to ESOP participants' accounts.

On October 1, 2000, the Company's Stock Investment Plan, the 401(k) Pension Plan, and the Investment Plan were merged with and into the ESOP; however, individual plan account balances continue to be separately maintained. Also effective October 1, 2000, the Company adopted the AECOM Technology Corporation Global Stock Plans (the Global Plans). The Global Plans provide a vehicle for non-U.S. employees to purchase stock in accordance with AECOM bylaws and local laws. The Global Plans are available to employees under plans in Australia, Hong Kong, New Zealand, Qatar, Singapore, United Arab Emirates and the United Kingdom.

Effective May 1, 2002 the ESOP component was amended so that it no longer qualified as a stock bonus plan or an employee stock ownership plan but rather as a profit sharing plan. The ESOP was renamed the AECOM Technology Corporation Retirement & Savings Plan (RSP).

The RSP and the Global Plans comprise AECOM's Global Stock Program, or the GSP.

During fiscal 2005 and 2006, the GSP sold to the Company 912,817 and 814,170 shares of Common Stock for $18.9 million and $20.3 million, respectively. These shares, which were attributable to former employees entitled to distributions under the GSP, were canceled.

For individuals who no longer qualify to be employees of the Company and whose vested shares have an initial value in excess of $5,000, the Company will repurchase the shares, the majority of which were terminated or retired, ratably over five years at the then current share price. At September 30, 2006, the Company's repurchase obligation covered 4,025,664 Common Shares allocated to former employees by the GSP. The fair value of these shares at September 30, 2006, was $114.3 million included in Redeemable common stock and common stock units.

Stock Match Program—Effective as of October 3, 1998, the Company implemented a Stock Match Program that provided stock matches on participants' contributions to the Company's Stock Investment Plan and Stock Purchase Plan. Effective October 1, 2002, the Board of Directors approved a new Stock Match Program (18% for common stock purchases and 10% for preferred stock purchases) and allocation of the stock matches quarterly.

14. Stock Plans (Continued)

Stock matches are made at the end of each quarter. The expense is based upon the value of the stock at the end of such quarter and is expensed in the period the match is made. For fiscal years ended September 30, 2004, September 30, 2005 and September 30, 2006, stock match expense was $1.8 million, $3.2 million and $14.8 million, respectively.

Stock Purchase Plan**—**Effective June 1, 1991, the Company adopted the Stock Purchase Plan to provide an opportunity for eligible employees to continue to invest in the Company when the Company's qualified Investment Plan and/or Stock Investment Plan are no longer available to them due to limitations contained in the U.S. Internal Revenue Code. Under the Stock Purchase Plan, participants are permitted to defer compensation, on a pre-tax basis, for investment in Common Stock Units. These amounts will not be held in trust and would be subject to the general creditors of the Company.

The number of Common Stock Units issued corresponds to an equal number of shares of Common Stock based on the valuation of Common Stock determined at the next valuation date for Stock Purchase Plan purposes. Effective December 31, 1999, shares of the Company's Common Stock have been valued quarterly and purchases of Common Stock and Common Stock Units are valued at the then most recent valuation.

When a participant in the Stock Purchase Plan ends employment, the Company will make a single sum payment in whole shares of AECOM Common Stock based on the total number of share units credited to his/her account. These shares will be subject to the buyback provisions under the bylaws of the Company. In the alternative, a participant's Common Stock Units may be converted to a cash book account entry, determined as though the share units were shares of Common Stock and will be redeemed under the same buyback provisions for Common Stock as allowed by the Company's bylaws. During fiscal 2005 and 2006, the Stock Purchase Plan sold to the Company 497,014 and 348,642 shares of Common Stock for $10.3 million and $8.6 million, respectively. These shares, which were attributable to former employees entitled to distributions under the Stock Purchase Plan, were canceled.

For individuals who no longer qualify to be employees of the Company, and whose vested Common Stock Units have a value at the end of the fiscal year in which such person ceased to qualify as an employee in excess of $5,000, the Company will repurchase the Common Stock Units ratably over five or 10 years at the then current share price. At September 30, 2006 the Company's repurchase obligation covered 1,433,272 Common Stock Units allocated to former employees by the Stock Purchase Plan. The fair value of these shares at September 30, 2006 was $40.7 million. The Stock Purchase Plan has been extended indefinitely by the Board of Directors.

The Company also has a program in which non-employee directors can elect, in lieu of cash compensation, to have all or a portion of their director compensation contributed to the Stock Purchase Plan to acquire Common Stock Units of the Company. A total of 5,629,734 Common Stock Units have been issued to the Stock Purchase Plan as of September 30, 2006.

Direct Ownership**—**The Company has shareholders who hold their shares directly, the majority of whom acquired these shares through a merger or acquisition. When a direct shareholder ends employment, these direct ownership shares will be subject to the buyback provisions under the bylaws of the Company.

During fiscal 2005 and 2006, the direct shareholders sold to the Company 1,577,803 and 636,403 shares of Common Stock for $32.9 million and $16.1 million, respectively. These shares, which were

14. Stock Plans (Continued)

attributable to share diversification, the special liquidity program and former employees entitled to distributions under the bylaws, were canceled.

For individuals who no longer qualify to be employees of the Company, and whose direct ownership shares have an initial value in excess of $5,000, the Company will repurchase the direct ownership shares ratably over five years at the then current share price. At September 30, 2006 the Company's repurchase obligation covered 2,155,835 direct ownership shares allocated to former employees. The fair value of these shares at September 30, 2006 was $61.2 million.

Stock Incentive Plans**—**The Company has stock incentive plans under which key employees can purchase up to 9,700,000 shares of Common Stock under stock options or restricted stock awards while non-employee directors can purchase up to 250,000 shares of Common Stock under stock options. Stock options may be granted to employees and non-employee directors at a price not less than the fair market value of the stock on the date of grant, and, for employees, options may be accompanied by stock appreciation rights (SARs). SARs entitle employees to surrender stock options and receive cash or stock in an amount equal to the excess of the market value of the optioned shares over their option price. Unexercised options and any accompanying SARs lapse not later than 10 years after the date of grant (seven years if granted subsequent to March 2000). The stock purchase options are accounted for under the intrinsic value based method under APB25.

Options granted to non-employee directors vest six months after the date of grant. Restricted stock awards entitle employees to purchase shares at a cost, if any, that may be less than fair market value, to vote such shares and to receive any dividends thereon, but such shares are subject to forfeiture upon completion of service before the restriction period ends. No SARs or restricted stock awards have been granted.

14. Stock Plans (Continued)

During the three years in the period ended September 30, 2006, option activity was as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2003	4,588,200	$ 11.84
Granted	842,000	$ 19.58
Exercised	(203,610)	$ 16.16
Cancelled	(537,590)	$ 7.28
Balance, September 30, 2004	4,689,000	$ 13.56
Granted	549,000	$ 21.02
Exercised	(119,660)	$ 16.49
Cancelled	(560,265)	$ 8.11
Balance, September 30, 2005	4,558,075	$ 15.05
Granted	525,545	$ 25.43
Exercised	(566,020)	$ 18.94
Cancelled	(53,280)	$ 10.16
Balance, September 30, 2006	4,464,320	$ 16.85
Exercisable as of September 30, 2004	2,315,615	$ 10.27
Exercisable as of September 30, 2005	2,172,780	$ 11.88
Exercisable as of September 30, 2006	4,464,320	$ 16.85

The following table summarizes information concerning outstanding and exercisable options as of September 30, 2006:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$8.15 - $8.30	190,875	1.85	$ 8.30	190,875	$ 8.30
$9.22 - $9.98	308,875	2.88	$ 9.97	308,875	$ 9.97
$10.06 - $10.91	331,225	3.81	$ 10.82	331,225	$ 10.82
$11.75 - $12.76	222,250	2.17	$ 12.57	222,250	$ 12.57
$13.68 - $17.51	1,548,300	3.28	$ 15.57	1,548,300	$ 15.57
$17.58 - $20.67	843,750	5.01	$ 19.37	843,750	$ 19.37
$20.78 - $22.97	506,000	6.21	$ 21.06	506,000	$ 21.06
$24.81 - $27.68	513,045	7.37	$ 25.47	513,045	$ 25.47
$8.15 - $27.68	4,464,320	4.31	$ 16.85	4,464,320	$ 16.85

The remaining contractual life of options outstanding at September 30, 2006, range from 0.3 to 7.0 years and have a weighted average remaining contractual life of 3.3 years.

Effective as of March 2, 1998, the Company established the Executive/Director Loan Program and Stock Repurchase Program to facilitate the exercise of options. Loans, with full recourse, will be for a term of not less than six months or more than 12 months and will bear interest at a rate of six-month LIBOR

14. Stock Plans (Continued)

plus 1%. Upon maturity of a loan, the Company will offer to repurchase the number of shares which, when multiplied by the then-current fair market value of the shares of Common Stock, will equal the principal and accrued interest on the loan and the loan will be retired from the proceeds of the repurchase. The

Board of Directors established a revolving loan pool of up to $10.0 million under this program. As of September 30, 2006, loans totaling $1.2 million were outstanding. At September 30, 2006, 4,464,320 shares of Common Stock had been reserved for the exercise of Stock Options.

The following pro forma information regarding net income has been calculated as if the Company had accounted for its employee stock options and stock purchase plan using the fair value method under SFAS No. 123, "*Accounting for Stock-Based Compensation*" (SFAS 123):

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
	(in thousands, except per share data)		
Net income as reported	$ 50,436	$ 53,814	$ 53,686
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(1,315)	(1,303)	(1,392)
Pro forma net income	$ 49,121	$ 52,511	$ 52,294
Earnings per share:			
Basic—as reported	$ 1.71	$ 1.86	$ 1.88
Basic—pro forma	$ 1.66	$ 1.81	$ 1.83
Diluted—as reported	$ 1.57	$ 1.68	$ 1.48
Diluted—pro forma	$ 1.53	$ 1.64	$ 1.44

The results of applying the fair value method could have a materially different effect on pro forma net income in future years.

The fair value of the Company's stock options used to compute pro forma net income and pro forma earnings per share disclosures is the estimated value using the "Minimum Value" method as allowed for non-public companies' option-pricing model. The weighted average fair values per share of options granted in fiscal 2004, 2005 and 2006 are $2.85, $4.34 and $5.91, respectively. The following assumptions were used in completing the model:

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
Dividend yield	0.0%	0.0%	0.0%
Risk-free rate of return, annual	3.39%	3.93%	4.52%
Expected life	6 years	6 years	6 years

14. Stock Plans (Continued)

Senior Executive Equity Investment Plan—Effective as of March 2, 1998, the Company established the Senior Executive Equity Investment Program (SEEIP) to encourage senior executives, primarily its executive officers, to increase their ownership interests in the Company. Executives who qualify for this program are extended a full recourse, unsecured loan, which bears a fixed interest rate approximating the most recent placement of the Company's long-term debt. The principal and accrued interest on the loan will be due upon the sale of the Common Stock acquired under this program. If an executive terminates employment with AECOM prior to normal retirement, the principal and accrued interest will become due and payable. The Board of Directors has established a loan pool of up to $30.0 million to fund this program. As of September 30, 2006, loans totaling $26.7 million (plus accrued interest of $9.9 million) with an average interest rate of 6% had been extended under the Senior Executive Equity Investment Program. The Company recorded interest income of $1.6 million and $2.0 million in fiscal years 2005 and 2006, respectively. Common Stock purchased under this program was eligible for a Company stock match and is fully vested. See Note 25 for further information.

During fiscal years ending September 30, 2005 and 2006, the Company awarded performance unit awards under its Performance Earnings Program (PEP) and had accrued approximately $12.0 million relating to the PEP at September 30, 2006.

15. Redeemable Common and Preferred Stock and Stock Units

Since Company securities are not freely tradable, the Company implemented a program to repurchase such securities from former employees by means of a five-year interest-bearing note. Alternatively, the former employee may elect to sell, in equal installments, his or her (a) shares of stock over five or nine years or (b) stock units over five or ten years.

The repurchase obligations at September 30, 2006 are based on a stock and unit price of $28.40 per share, as determined by an independent valuation firm. Repurchase obligations in stock and stock units over the next five years and later years for former employees where payout dates have been determined based on the agreed upon repurchase dates are as follows:

Repurchase Date:	Shares/Units
December 2006	1,950,493
December 2007	1,700,149
December 2008	1,497,158
December 2009	1,340,146
December 2010	1,148,377
Thereafter	27,143
	7,663,466
Redemption date not determined	21,295,542
Total	28,959,008

Based on Emerging Issues Task Form D-98 "*Classification and Measurement of Redeemable Securities*," the Company determined the redemption of all it's common and preferred stock is not solely within the control of the Company and should be classified outside of permanent stockholders' equity and classified within redeemable common and preferred stock and stock units.

16. Stockholders' Equity

Preferred Stock**—**The Restated Certificate of Incorporation of the Company authorizes the issuance of 8,000,000 shares of Preferred Stock, par value $.01 per share (the Preferred Stock). The holders of Preferred Stock are generally entitled to one vote per share on all matters to be voted on by the Company's stockholders and will vote as one class with the Common Stock.

Convertible Preferred Stock**—**Convertible Preferred Stock is limited to an aggregate of 2,500,000 shares with a par value and liquidation preference of $100 per share. Holders of the Convertible Preferred Stock are entitled to receive dividends payable in additional shares of Convertible Preferred Stock at the Applicable Rate determined as set forth below. Dividends on the Convertible Preferred Stock are payable quarterly on January 1, April 1, July 1, and October 1 of each year.

The Applicable Rate will be set annually by the independent appraiser engaged by the Trustee of AECOM Common Stock in the Retirement & Savings Plan at a level that it determines is necessary for the fair value of the Convertible Preferred Stock to be equal to its par value.

After a share of Convertible Preferred Stock has been outstanding for at least three years, the Company may redeem such Convertible Preferred Stock at the Company's election, in whole or in part, upon not less than 30 or more than 60 days' written notice. The redemption price shall be equal to 102.5% of the liquidation preference of the share of Convertible Preferred Stock to be redeemed, plus the payment of any accrued and unpaid dividends to the redemption date. In any event, at such time as a holder of Convertible Preferred Stock no longer meets the qualifications to be a holder of Employee Stock, the Convertible Preferred Stock held by such holder shall be repurchased by the Company.

If the Convertible Preferred Stock has been held at least one year, on each January 1, April 1, July 1, and October 1, or a Preferred Conversion Date, the holder of shares of Convertible Preferred Stock may convert some or all of the shares of Convertible Preferred Stock held into shares of the Company's Common Stock. The number of shares of the Company's Common Stock to be received upon conversion shall be determined by dividing (i) the aggregate liquidation preferences and accrued and unpaid dividends to the applicable Preferred Conversion Date of the shares of Convertible Preferred Stock to be converted, by (ii) the per share price of the Company's Common Stock on the applicable Preferred Conversion Date.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of Convertible Preferred Stock are entitled to receive out of assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the Company's Common Stock or of any other shares of stock of the Company ranking as to such a distribution junior to the shares of Convertible Preferred Stock, liquidating distributions in the amount of $100 per share plus accrued and unpaid dividends. After payment of such liquidating distributions, the holders of shares of Convertible Preferred Stock will not be entitled to any further participation in any distribution of assets by the Company.

Except as expressly required by applicable law, the holders of the Convertible Preferred Stock will be entitled to one vote per share.

If the equivalent of six quarterly dividends payable on the Convertible Preferred Stock are in arrears, the number of directors of the Company will be increased by two and the holders of Convertible Preferred Stock, voting as a class with the holders of shares of any one or more other series of preferred stock ranking on a parity with the Convertible Preferred Stock as to payment of dividends and the distribution of assets and upon which like voting rights have been conferred and are exercisable, will be entitled to elect

16. Stockholders' Equity (Continued)

two directors to fill such vacancies. Such right to elect two additional directors shall continue until all dividends in arrears have been paid or declared and set apart for payment. Each director elected by the holders of shares of the Convertible Preferred Stock and all other classes of preferred stock whose holders are entitled to vote shall continue to serve as such director for the full term for which he or she shall have been elected, notwithstanding that prior to the end of such term such default shall cease to exist.

Class B and Class C Stock**—**Effective as of September 10, 1999, the Company established a new class of Preferred Stock, Class B Stock, and issued the shares to U.S. Trust Company, N.A., as Trustee of the AECOM Technology Corporation Supplemental Trust. This Class B Stock has been issued to secure, in part, the Company's obligation under the Stock Purchase Plan, although the stock is subject to the claims of the Company's creditors. Only the Trustee is eligible to hold this stock. The participants in the Stock Purchase Plan have no ownership interest in this stock. The shares carry one vote per share and are voted by the Trustee in its sole discretion. Upon distribution or reduction of Common Stock Units by the Stock Purchase Plan, the corresponding number of shares of Class B Stock will be returned by the Trustee to the Company for cancellation. Upon issuance of additional Common Stock Units to the Stock Purchase Plan, a like number of shares of Class B Stock will be issued to the Trustee. The Class B Stock has a par value of $.01 per share, carries with it a liquidation preference and redemption value of $.01 per share, and has no right to any dividend.

On April 15, 2003, the Company amended its Certificate of Incorporation to authorize the issuance of Class C Stock. The Class C Stock has no par value, each share is entitled to 100,000 votes on all matters to be voted on by the Company's shareholders, has no right to any dividend and enjoys a liquidation and redemption value of $1.00 per share.

Both the Class B Stock and the Class C Stock exist as part of the Company's Stock Purchase Plan, or SPP. Until the Class B authorized share limit is reached for each Common Stock Unit acquired under the SPP, a share of Class B Stock was issued to the trustee of the Company's stock plan (the only entity eligible to hold such stock) and once the Class B authorized share limit is reached, for each 100,000 Common Stock Units acquired under the SPP, a share of Class C Stock will be issued to the trustee. Conversely, upon cancellation of (i) a common stock unit or (ii) 100,000 common stock units, the trustee will return a share of Class B Stock or one share of Class C Stock, respectively, to the Company for cancellation. The trustee has sole discretion as how it votes each share of Class B Stock and Class C Stock.

Pursuant to an exchange agreement dated January 14, 2004, U.S. Trust exchanged the 5.0 million shares of Class B preferred stock held by it in exchange for 50 shares of Class C preferred stock. Shortly after such exchange, the Company deposited $49,950, representing the additional liquidation preference of the Class B preferred stock tendered by U.S. Trust over the liquidation preference of the Class C preferred stock received by it, into the Supplemental Trust in respect of the common stock units. Thereafter, a certificate of elimination was filed by the Company with the Delaware Secretary of State eliminating the Class B preferred stock and the Company withdrew $49,950 from the Supplemental Trust in accordance with the trust rules. This has the effect of restoring Class B shares exchanged to the status of authorized but unissued shares of preferred stock, which can be issued by the Company in the future. The only voting stock associated with our SPP units going forward will be the Class C stock.

Redeemable Preferred Stock, Class D—Prior to February 9, 2006, the Company had outstanding Class D convertible preferred stock which was limited to an aggregate of 120,000 shares with a par value of $0.01 per share and a liquidation preference of $1,000 per share. Holders of the convertible preferred stock were

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16. Stockholders' Equity (Continued)

entitled to receive dividends payable at the rate of 7% per annum on the liquidation preference either in cash or in additional shares of Class D stock, at the Company's election; provided, however, that so long as a Default Rate Event (as defined below) had occurred and continued, the dividend rate would increase to 10% per annum. The terms of the Class D stock prohibited the Company from paying cash dividends in respect of its common stock until the Company consummated an Initial Public Offering (IPO). "Default Rate Event" means (i) the Company's failure to redeem all the outstanding shares of the Class D stock on June 25, 2010; (ii) the Company's failure to meet its obligations upon a liquidation event; and (iii) the Company's material breach of the special class voting rights provisions. Dividends on the Class D stock wee payable quarterly on last day of February, May, August, and November of each year. On February 9, 2006, the Company redeemed all of the outstanding shares of the Class D convertible preferred stock and repurchased all of the outstanding warrants held by the holders of the Class D convertible preferred stock to purchase its common stock.

Class E Stock—The Class E preferred stock is limited to an aggregate of 20 shares, has no par value, and has a liquidation preference of $1.00 per share. These shares may only be issued to and held by the Trustee of the AECOM Technology Corporation Supplemental Trust and are not entitled to receive any dividends. These shares have limited voting rights primarily involving voluntary liquidation, dissolution or winding up the affairs of the Company; sale of all or substantially all of the properties of the Company; change in beneficial ownership of more than fifty percent of the voting stock of the Company; and the issuance on sale of stock in an initial public offering in which the Company's common stock is listed on the New York Stock Exchange or the NASDAQ National Market. In such cases, each share is entitled 100,000 votes per share on all matters voted on by holders of Class E stock. The Company, with notice, may redeem Class E stock by paying the liquidation preference. The holders of Class E stock have no conversion rights.

All shares of Class E stock redeemed or repurchased by the Corporation shall be restored to the status of authorized but un-issued shares of Preferred Stock, without designation as to series.

Class F and Class G Convertible Preferred Stock

Dividends. The Class F and Class G convertible preferred stock do not receive a stated dividend. If, however, we should declare or pay dividends on our common stock, then holders of our Class F and Class G convertible preferred stock will be entitled to receive dividends equal to the amount that would have been payable had the Class F and Class G preferred shares been converted into common stock immediately prior to the record date for such dividend.

Mandatory Redemption. We must redeem all outstanding shares of the Class F and Class G convertible preferred stock upon the earlier of (a) February 9, 2012 or (b) the sale of substantially all of our assets. The redemption price will equal the greater of (i) the liquidation preference of such share of Class F or Class G preferred stock, which is $2,500 per share, and (ii) (A) if the redemption occurs on the maturity date of February 9, 2012, the fair market value of the shares of common stock into which such shares of Class F and Class G would have converted on February 8, 2012 or (B) if the redemption occurs as a result of a sale of substantially all of our assets, the amount (on an as converted to common stock basis) that each share of common stock would be entitled to receive on the date of such sale of substantially all of our assets.

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16. Stockholders' Equity (Continued)

Conversion. Each share of the Class F and Class G convertible preferred stock is convertible, at the election of the holder thereof, into our common stock at an initial conversion rate of approximately 99.7 shares of common stock for each share of Class F and G preferred stock. The conversion rate is determined by dividing the liquidation preference of $2,500 per share by the initial conversion price of $25.07 per share. The conversion rate and conversion price are subject to certain anti-dilution adjustments, based on future issuances of our common stock (other than issuances at fair market value to employees, directors, consultants participating in our stock plans or shareholders of a firm we acquire in the ordinary course of business).

In addition the Class F and Class G convertible preferred stock will automatically be converted into our common stock (A) if our common stock is listed on the New York Stock Exchange, American Stock Exchange or NASDAQ in connection with a public offering with aggregate gross proceeds to us of at least $50,000,000 or (B) the affirmative written election of the holders of the Class F and/or Class G preferred stock, as applicable.

Liquidation Rights. In the event of our voluntary or involuntary liquidation, dissolution or winding up, or a change of control, the holders of shares of the Class F and Class G convertible preferred stock are entitled to receive, out of our assets available for distribution to stockholders before any distribution of assets or any payments are made to holders of our common stock or of any other shares of our stock ranking as to such a distribution junior to the shares of Class F and Class G convertible preferred stock, liquidating distributions in an amount equal to $2,500 per share. After payment of such liquidating distributions, the holders of shares of Class F and Class G convertible preferred stock will not be entitled to any further participation in any distribution of assets by us.

Voting Rights. The Class F and Class G convertible preferred stock vote together with our common stock as a single class on all matters voted on by holders of our common stock. The shares so voted will be the number of shares of our common stock into which such Class F and Class G convertible preferred stock is then convertible. In addition, the approval of the holders of a majority of our Class F and Class G convertible preferred stock, each voting as a separate class, as applicable will be required for certain actions by the Company that materially affect the Class F or Class G convertible preferred stock.

Designation of Board Members. The holders of a majority of our Class F convertible preferred stock and the holders of a majority of our Class G convertible preferred stock are each entitled to appoint one member to our board of directors. Each group of holders will maintain this board appointment right so long as it continues to hold Class F and Class G convertible preferred stock, as applicable, with a liquidation preference equal to at least 50% of the aggregate liquidation preference of the Class F or Class G shares, as applicable, initially purchased by it.

Registration Rights. The holders of the Class F and Class G convertible preferred stock have certain registration rights that may result in such holders being able to sell their shares of common stock in a registered offering after an initial public offering of our common stock before other holders of our common stock.

Preemptive Rights. If we issue shares of common stock or securities convertible or exercisable into common stock at a price per share below fair market value, then the holders of Class F and G convertible preferred stock will have a preemptive right to purchase a pro rata share of such new securities, subject to customary exceptions including an exception for shares issued pursuant to our stock plans.

16. Stockholders' Equity (Continued)

Common and Preferred Stock Units—Common and Preferred Stock Units (Stock Units) under the Stock Purchase Plan may only be redeemed for Common Stock. The holders of Stock Units are not entitled to vote but are entitled to dividends if dividends are declared on Common Stock. In the event of the liquidation of the Company, holders of the Stock Units are entitled to no right greater than holders of Common Stock.

Stock Warrants—The Company issued 500,000 warrants in conjunction with the sale of Class D convertible preferred stock. The warrants entitled the holders to purchase Common Stock of the Company at $16.74 per share, in whole or in part, at any time and from time to time on or before the expiration date of the Warrants on June 24, 2010, as long as all the Class D stock had been redeemed. If all the Class D stock had not been redeemed, then the proportional amount of Warrants associated with the unredeemed Class D stock would have expired when all the Class D convertible preferred stock had been redeemed, but in no event later than June 24, 2011. Until exercise of the Warrants, the holders of the Warrants did not have nor exercise any rights as a stockholder of the Company, either at law or in equity. The Warrants were valued at issuance using the Black-Scholes Warrant pricing model. On February 9, 2006, the Company repurchased 100% of the outstanding warrants.

17. Earnings Per Share

Basic EPS excludes dilution and is computed by dividing the income available to common stock and common stock unit holders by the weighted average number of shares and units outstanding for the period. Diluted EPS is computed by dividing income available to common stock and common stock unit holders by the weighted average number of shares and units outstanding and the weighted average potential common shares. Potential common shares include the dilutive effects of outstanding stock options, stock match shares and units, preferred stock and warrants. The issuance of stock match shares and units is reflected in basic EPS on the last day of the fiscal quarter when the actual number of shares and units is determined based on the quarter-end price per share and in diluted EPS when the match is accrued based on the then current price per share.

17. Earnings Per Share (Continued)

The following table sets forth a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations:

	Fiscal Year Ended		
	September 30, 2004	September 30, 2005	September 30, 2006
	(in thousands, except per share data)		

Numerator for basic earnings per share:			
Net income	$ 50,436	$ 53,814	$ 53,686
Preferred stock dividends	(5,443)	(5,506)	(2,205)
Net income available for common stockholders	$ 44,993	$ 48,308	$ 51,481
Denominator for basic earnings per share:			
Weighted average shares	26,300	25,940	27,428
Numerator for diluted earnings per share:			
Net income	$ 50,436	$ 53,814	$ 53,686
Denominator for diluted earnings per share:			
Denominator for basic earnings per share	26,300	25,940	27,428
Potential common shares:			
Preferred stock, Class D	4,480	4,480	1,582
Preferred stock, Class F and Class G	—	—	5,963
Stock options	1,103	1,242	1,079
Preferred stock, other	138	171	184
Stock matches	16	14	20
Stock units	11	15	14
Stock warrants	79	127	59
Denominator for diluted earnings per share	32,127	31,989	36,329
Earnings per share:			
Basic	$ 1.71	$ 1.86	$ 1.88
Diluted	$ 1.57	$ 1.68	$ 1.48

For the fiscal years ended September 30, 2004, September 30, 2005 and September 30, 2006, no options were excluded from the calculation of potential common shares because their exercise prices exceeded the average market price for that period.

18. Foreign Currency

The Company uses forward exchange contracts from time to time to mitigate foreign currency risk. The Company limits exposure to foreign currency fluctuations in most of its contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, the Company generally does not need to hedge foreign currency cash flows for contract work performed. The functional currency of all significant foreign operations is the respective local currency.

19. Commitments and Contingencies

The Company is a defendant in various lawsuits arising in the normal course of business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Company.

19. Commitments and Contingencies (Continued)

The Company is contingently liable in the amount of approximately $43.6 million under standby letters of credit issued primarily in connection with general and professional liability insurance programs and for payment and performance guarantees relating to domestic and overseas contracts. In addition, in some instances the Company guarantees that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, the Company may either incur significant additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards.

Under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) will be required to complete those activities. The Company generally only enters into joint venture arrangements with partners who are reputable, financially sound and who carry appropriate levels of surety bonds for the project in order to adequately assure completion of their assignments. The Company is a partner in certain joint ventures where the joint venture has contracted with sub-consultants for certain specialized professional services. The joint venture, or the Company to the extent that the joint venture partner (s) are unable to fulfill their responsibilities, is liable to the third-party customer for performance of the sub-consultant and would be liable to the sub-consultant if the third-party customer failed to make payments due the joint venture for sub-consultant services.

Prior to fiscal 2002 the Company had Performance Unit Plans (PUPs) under which the Board of Directors granted performance unit awards to executive officers and key employees of AECOM and its subsidiaries. In the first quarter of fiscal 2002, the Company terminated the PUPs and accrued and fully vested all participants, as a group, at the projected level of each participant's award. At September 30, 2005, the Company had awards outstanding under the PUP in the amount of $3.0 million which was paid prior to September 30, 2006.

In July 2006, the Company executed a purchase agreement, subject to, among other conditions, Chinese government regulatory approvals, to acquire a 10% interest in Shanghai Tunnel Engineering Co., Ltd., or STEC. STEC is a Shanghai, China-based professional technical services firm which specializes in transportation design. If we receive regulatory approval, the consideration would consist of cash that would be paid no later than 120 days after the effective date of such approval.

20. Reportable Segments and Geographic Information

The Company's management has organized its operations into two reportable segments: Professional Technical Services and Management Support Services. This segmentation corresponds to how the Company manages its business as well as the underlying characteristics of its markets.

Management internally analyzes the results of its operations using several non-GAAP measures. A significant portion of the Company's revenues relates to services provided by subcontractors and other non-employees that it categorizes as other direct costs. Those pass-through costs are typically paid to service providers upon our receipt of payment from the client. Other direct costs are segregated from cost of revenues resulting in net service revenues which is a measure of work performed by AECOM employees. The Company has included information on net service revenues as it believes that it is a more accurate measure on which to base gross margin. In addition, compensation expense, included in both cost of revenues and general and administrative expense, associated with the non-cash stock matches, is segregated and shown below general and administrative expense as it is considered by management to be a function of the level of stock purchased by employees and not a cost of work performed.

20. Reportable Segments and Geographic Information (Continued)

The following tables set forth summarized financial information concerning the Company's reportable segments:

Reportable Segments:	Professional Technical Services	Management Support Services (in thousands)	Total
Fiscal Year Ended September 30, 2004:			
Revenue	$ 1,777,718	$ 232,143	$ 2,009,861
Net service revenue	1,198,354	35,785	1,234,139
Gross profit	561,392	6,386	567,778
Gross profit as a % of revenue	31.6%	2.8%	28.2%
Gross profit as a % of net service revenue	46.8%	17.8%	46.0%
Equity in earnings of joint ventures	2,517	—	2,517
General and administrative expenses	460,331	5,636	465,967
Segment income from operations	100,270	1,944	102,214
Segment assets	910,554	69,352	979,906
Fiscal Year Ended September 30, 2005:			
Revenue	$ 2,082,618	$ 309,053	$ 2,391,671
Net service revenue	1,415,450	42,977	1,458,427
Gross profit	662,219	13,967	676,186
Gross profit as a % of revenue	31.8%	4.5%	28.3%
Gross profit as a % of net service revenue	46.8%	32.5%	46.4%
Equity in earnings of joint ventures	2,352	—	2,352
General and administrative expenses	555,642	8,129	563,771
Segment income from operations	106,228	5,838	112,066
Segment assets	1,257,093	87,685	1,344,778
Fiscal Year Ended September 30, 2006:			
Revenue	$ 2,772,833	$ 647,188	$ 3,420,021
Net service revenue	1,787,078	89,794	1,876,872
Gross profit	872,305	38,873	911,178
Gross profit as a % of revenue	31.5%	6.0%	26.6%
Gross profit as a % of net service revenue	48.8%	43.3%	48.5%
Equity in earnings of joint ventures	2,958	4,942	7,900
General and administrative expenses	745,237	20,886	766,123
Segment income from operations	130,026	22,929	152,955
Segment assets	1,601,634	111,726	1,713,360

20. Reportable Segments and Geographic Information (Continued)

Reconciliations:	Fiscal Year Ended September 30, 2004	September 30, 2005 (in thousands)	September 30, 2006
Revenue:			
Revenue from reportable segments	$ 2,009,861	$ 2,391,671	$ 3,420,021
Other revenue	2,114	3,669	1,471
Total consolidated revenue	$ 2,011,975	$ 2,395,340	$ 3,421,492
Gross profit:			
Gross profit from reportable segments	$ 567,778	$ 676,186	$ 911,178
Other contributions to gross profit	778	1,291	(5,370)
Total consolidated gross profit	$ 568,556	$ 677,477	$ 905,808
General and administrative expenses:			

G&A expenses from reportable segments	$ 465,967	$ 563,771	$ 766,123
Unallocated corporate general and administrative expenses	18,479	17,758	42,830
Total consolidated general and administrative expenses	$ 484,446	$ 581,529	$ 808,953
Income from operations:			
Income from operations from reportable segments	$ 102,214	$ 112,066	$ 152,955
Expenses not allocated to reportable segments	(15,587)	(13,766)	(49,546)
Total consolidated income from operations	$ 86,627	$ 98,300	$ 103,409
Total assets:			
Total assets from reportable segments	$ 979,906	$ 1,344,778	$ 1,713,360
Total assets not allocated to segments and eliminations	141,973	80,146	112,414
Total consolidated assets	$ 1,121,879	$ 1,424,924	$ 1,825,774

	Fiscal Year Ended					
	September 30, 2004		September 30, 2005		September 30, 2006	
Geographic Information:	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets
	(in thousands)					
United States	$ 1,492,953	$ 189,809	$ 1,680,452	$ 326,168	$ 2,497,769	$ 377,375
Foreign Countries	519,022	192,754	714,888	220,655	923,723	256,075
Total	$ 2,011,975	$ 382,563	$ 2,395,340	$ 546,823	$ 3,421,492	$ 633,450

21. Major Clients

Approximately, 19%, 22% and 28% of the Company’s revenue was derived through direct contracts with agencies of the U.S. Federal Government in the years ended September 30, 2004, 2005, and 2006, respectively. One of these contracts accounted for approximately 9% of the Company’s revenue in each of the years ended September 30, 2004, 2005, and 2006. No single client accounted for more than 10% of the Company’s revenue.

22. Quarterly Financial Information—Unaudited

In the opinion of management, the following unaudited quarterly data for the fiscal years ended September 30, 2005 and September 30, 2006 reflect all adjustments necessary for a fair statement of the results of operations. All such adjustments are of a normal recurring nature.

Fiscal Year 2005:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share data)			
Revenue	$ 531,064	$ 579,507	$ 624,931	$ 659,838
Cost of revenue	381,298	412,234	451,435	472,896
Gross profit	149,766	167,273	173,496	186,942
Equity in earnings of joint ventures	763	223	130	1,236
General and administrative expenses	130,090	146,695	149,559	155,185
Income from operations	20,439	20,801	24,067	32,993
Minority interest in share of earnings	1,465	2,504	2,329	2,155
Interest expense, net	1,763	2,286	1,366	1,639
Income before income tax expense	17,211	16,011	20,372	29,199
Income tax expense	6,023	5,604	7,130	10,222
Net income	$ 11,188	$ 10,407	$ 13,242	$ 18,977
Net income allocation:				
Preferred stock dividend	$ 1,373	$ 1,373	$ 1,378	$ 1,382
Net income available to common stockholders	9,814	9,034	11,864	17,595
Net income	$ 11,188	$ 10,407	$ 13,242	$ 18,977
Basic earnings per share	$ 0.37	$ 0.36	$ 0.46	$ 0.67
Diluted earnings per share	$ 0.34	$ 0.34	$ 0.42	$ 0.59
Weighted average common shares outstanding:				
Basic	26,835	24,822	25,846	26,259
Diluted	32,585	30,709	31,764	32,174

22. Quarterly Financial Information—Unaudited (Continued)

Fiscal Year 2006:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share data)			
Revenue	$ 746,797	$ 858,930	$ 911,486	$ 904,279
Cost of revenue	546,758	629,907	678,581	660,438
Gross profit	200,039	229,023	232,905	243,841
Equity in earnings of joint ventures	1,670	893	1,554	2,437
General and administrative expenses	176,983	204,838	209,340	217,792
Income from operations	24,726	25,078	25,119	28,486
Minority interest in share of earnings	1,951	3,530	3,022	5,421
Interest expense, net	3,723	4,067	2,528	258
Income before income tax expense	19,052	17,481	19,569	22,807
Income tax expense	6,097	5,594	6,262	7,270
Net income	$ 12,955	$ 11,887	$ 13,307	$ 15,537
Net income allocation:				
Preferred stock dividend	$ 1,384	$ 663	$ 78	$ 80
Net income available to common stockholders	11,571	11,224	13,229	15,457
Net income	$ 12,955	$ 11,887	$ 13,307	$ 15,537
Basic earnings per share	$ 0.43	$ 0.42	$ 0.47	$ 0.55
Diluted earnings per share	$ 0.40	$ 0.34	$ 0.36	$ 0.40
Weighted average common shares outstanding:				
Basic	26,644	26,838	27,881	28,350
Diluted	32,612	35,153	36,941	39,018

23. Related Party Transactions

In conjunction with an acquisition made in fiscal 2005, the Company assumed an operating lease in which the lessor is a company affiliated with the former shareholder of the acquired entity, who now serves as the President of one of the Company's operating subsidiaries. Remaining amounts payable under the lease, which expires in August 2015, are $6.2 million. In the fiscal years ended September 30, 2005 and 2006, lease payments to this related party totaled $0.0 million and $0.7 million, respectively.

24. Litigation and Legal Proceedings

The Company is subject to certain claims and lawsuits filed against engineering and technical services firms. From time to time, the Company is a defendant in lawsuits involving its alleged professional liability, personal injury, contract and other disputes arising in the normal course of business. To some extent, these matters are covered by insurance, and in other cases, the Company is self-insured.

25. Subsequent Events—Unaudited

The Company is in the process of the termination and repayment of all outstanding loans previously made to its directors and senior officers under its SEEIP. SEEIP loans were made by the Company to encourage its senior officers to hold AECOM stock by providing loans to fund the purchases of the stock. The Company expects that all SEEIP loans will be terminated and repaid prior to February 15, 2007. At September 30, 2006, there were SEEIP loans outstanding with an aggregate principal amount of approximately $26.7 million.

In December 2006, the Company sold its equity investment in a U.K. based company for approximately 7.5 million GBP, or approximately $14.7 million.

AECOM Technology Corporation
Condensed Consolidated Balance Sheets
(in thousands, except share data)

	September 30, 2006 (Restated)	December 31, 2006 (Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 118,427	$ 107,377
Cash in consolidated joint ventures	9,393	30,347
Short-term investments	50	50
Total cash and cash equivalents	127,870	137,774
Accounts receivable—net	913,178	928,404
Prepaid expenses and other current assets	52,827	58,529
Deferred tax asset	—	121
TOTAL CURRENT ASSETS	1,093,875	1,124,828
PROPERTY AND EQUIPMENT:		
Equipment, furniture and fixtures	85,201	85,570
Leasehold improvements	31,539	36,677

Total	116,740	122,247
Accumulated depreciation and amortization	(26,417)	(27,825)
PROPERTY AND EQUIPMENT—NET	90,323	94,422
DEFERRED INCOME TAXES	98,449	105,528
DEFERRED LOAN COSTS	1,444	1,424
INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES	19,943	21,389
GOODWILL	466,508	472,178
INTANGIBLE AND OTHER ASSETS—NET	18,168	17,414
OTHER NON-CURRENT ASSETS	37,064	41,447
TOTAL ASSETS	$ 1,825,774	$ 1,878,630
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Bank overdraft	$ 2,716	$ 5,895
Accounts payable and other current liabilities	265,192	270,203
Accrued expenses	365,548	357,228
Billings in excess of costs on uncompleted contracts	143,283	167,466
Income taxes payable	35,646	51,794
Deferred tax liability—net	12,824	13,267
Current portion of share purchase liability	55,394	57,253
Current portion of long-term obligations	11,949	23,626
TOTAL CURRENT LIABILITIES	892,552	946,732
OTHER LONG-TERM LIABILITIES	112,970	117,071
LONG-TERM OBLIGATIONS	122,790	104,115
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST	18,701	17,909
REDEEMABLE COMMON AND PREFERRED STOCK AND STOCK UNITS	771,207	818,901
NOTES RECEIVABLE FROM STOCKHOLDERS	(36,552)	(36,607)
REDEEMABLE PREFERRED STOCK, Class F—authorized, 200,000, issued and outstanding, 47,000 as of September 30, 2006 and December 31, 2006, $2,500 liquidation preference value	117,500	117,500
REDEEMABLE PREFERRED STOCK, Class G—authorized, 200,000, issued and outstanding, 47,000 as of September 30, 2006 and December 31, 2006, $2,500 liquidation preference value	117,500	117,500
STOCKHOLDERS' DEFICIT:		
Additional paid-in capital	(254,225)	(290,797)
Accumulated other comprehensive loss	(36,669)	(33,694)
Retained earnings	—	—
TOTAL STOCKHOLDERS' DEFICIT	(290,894)	(324,491)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,825,774	$ 1,878,630

See accompanying Notes to Condensed Consolidated Financial Statements.

AECOM Technology Corporation
Condensed Consolidated Statements of Income
(unaudited—in thousands, except per share data)

	Three Months Ended December 31, 2005	2006
Revenue	$ 746,797	$ 938,549
Cost of revenue	546,758	690,130
Gross profit	200,039	248,419
Equity in earnings of joint ventures	1,670	1,417
General and administrative expenses	176,983	219,828
Income from operations	24,726	30,008
Minority interest in share of earnings	1,951	1,586
Gain on the sale of equity investment	—	11,286
Interest expense—net	3,723	1,075
Income before income tax expense	19,052	38,633
Income tax expense	6,097	13,113
Net income	$ 12,955	$ 25,520
Net income allocation:		
Preferred stock dividend	$ 1,384	$ 29
Net income available for common stockholders	11,571	25,491
Net income	$ 12,955	$ 25,520
Earnings per share:		
Basic	$ 0.43	$ 0.89
Diluted	$ 0.40	$ 0.65
Weighted average common shares outstanding:		
Basic	26,644	28,800
Diluted	32,612	39,518

Condensed Consolidated Statements of Comprehensive Income
(unaudited—in thousands)

	Three Months Ended December 31, 2005	2006

Net income	$ 12,955	$ 25,520
Other comprehensive income:		
Foreign currency translation adjustments	(1,725)	2,975
Other comprehensive income	(1,725)	2,975
Comprehensive income	$ 11,230	$ 28,495

See accompanying Notes to Condensed Consolidated Financial Statements.

AECOM Technology Corporation
Condensed Consolidated Statements of Cash Flows
(unaudited—in thousands)

	Three Months Ended December 31, 2005	Three Months Ended December 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 12,955	$ 25,520
Adjustments to reconcile net income to net cash (used in)/provided by operating activities:		
Depreciation and amortization	9,370	6,970
Equity in earnings of unconsolidated joint ventures	(1,670)	(1,417)
Distribution of earnings from unconsolidated affiliates	281	108
Stock match and other non-cash stock compensation	1,379	7,048
Interest income on notes from stockholders	(502)	(532)
Foreign currency translation	(2,588)	(954)
Gain on sale of equity investment	—	(11,286)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(51,000)	(8,626)
Prepaid expenses and other assets	10,150	(10,337)
Accounts payable	9,526	3,711
Accrued expenses	(11,284)	(10,520)
Billings in excess of costs on uncompleted contracts	(1,575)	24,183
Income taxes payable	(371)	16,148
Other long-term obligations	6,753	3,652
Net cash (used in)/provided by operating activities	(18,576)	43,668
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for business acquisitions, net of cash acquired	(34,089)	(6,200)
Proceeds from the sale of equity investment	—	14,683
Net investments in unconsolidated affiliates	95	(3,034)
Payments for capital expenditures	(7,316)	(10,093)
Proceeds on sale of property and equipment	429	—
Net cash used in investing activities	(40,881)	(4,644)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings under credit agreements	112,209	2,681
Repayments of borrowings under other long-term obligations	(7,092)	(7,000)
Proceeds from issuance of common stock and preferred stock	10,266	20,210
Proceeds from issuance of stock upon exercise of stock options	179	521
Excess tax benefits from the exercise of stock options	—	178
Repayment of notes receivable from stockholders	359	477
Payments to repurchase common stock and common stock units	(41,831)	(46,846)
Payments of dividends on convertible preferred stock	(1,312)	—
Net cash provided by/(used in) financing activities	72,778	(29,779)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(349)	659
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,972	9,904
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	54,302	127,870
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 67,274	$ 137,774

See accompanying Notes to Condensed Consolidated Financial Statements.

AECOM Technology Corporation

Notes to Condensed Consolidated Financial Statements

1. Basis of Presentation

The accompanying condensed consolidated balance sheet as of December 31, 2006, the condensed consolidated statements of income for the three months ended December 31, 2005 and 2006, and the condensed consolidated statements of cash flows for the three months ended December 31, 2005 and 2006 of AECOM Technology Corporation, or the Company, are unaudited, and, in the opinion of management, include all adjustments necessary for a fair statement of the financial position and the results of operations for the periods presented.

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10 as filed with the Securities and Exchange Commission on January 29, 2007 for the fiscal year ended September 30, 2006. Certain prior year amounts have been reclassified to conform to the current year presentation.

The results of operations for the three months ended December 31, 2006 are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2007.

2. Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents, including cash in consolidated joint ventures, totaled $127.9 million and $137.8 million as of September 30, 2006 and December 31, 2006, respectively.

3. Accounts Receivable—Net

Net accounts receivable consisted of the following as of September 30, 2006 and December 31, 2006:

	September 30, 2006	December 31, 2006
	(in thousands)	
Billed	$543,606	$556,847
Unbilled	372,034	370,837
Contract retentions	38,921	43,696
Total accounts receivable—gross	954,561	971,380
Allowance for doubtful accounts	(41,383)	(42,976)
Total accounts receivable—net	$913,178	$928,404
Billings in excess of costs on uncompleted contracts	$143,283	$167,466

Billed accounts receivable represent amounts billed to clients that have yet to be collected. Unbilled accounts receivable represent revenue recognized but not yet billed pursuant to contract terms or billed after the fiscal period end. Substantially all unbilled receivables as of September 30, 2006 and December 31, 2006 are expected to be billed and collected within twelve months. Contract retentions represent amounts invoiced to clients; however payments have been withheld pending the completion of certain milestones, other contractual conditions or upon the completion of the project. These retention agreements vary from project to project and could be outstanding several months or years.

Allowances for doubtful accounts have been determined through specific identification of amounts determined to be uncollectible and potential write-offs, plus a general allowance for other amounts for which some potential loss is determined to be probable based on current and historical events and

3. Accounts Receivable—Net (Continued)

circumstances. No single client accounted for more than 10% of the Company's accounts receivable as of September 30, 2006 or December 31, 2006.

4. Goodwill and Acquired Intangible Assets

The changes in the carrying value of goodwill by reporting unit for the three months ended December 31, 2006 were as follows:

	September 30, 2006	Post-Acquisition Adjustments	Acquired	December 31, 2006
		(in thousands)		
Professional Technical Services	$ 457,575	$ 914	$ 5,256	$ 463,745
Management Support Services	8,933	(500)	—	8,433
Total	$ 466,508	$ 414	$ 5,256	$ 472,178

The gross amounts and accumulated amortization of the Company's acquired identifiable intangible assets with finite useful lives as of September 30, 2006 and December 31, 2006 included in intangible and other assets—net in the accompanying condensed consolidated balance sheets, were as follows:

	September 30, 2006		December 31, 2006	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
		(in thousands)		
Backlog	$16,687	$15,254	$16,687	$15,509
Customer Relationships	18,179	2,180	18,179	2,634
Trade-Names	899	163	899	208
Total	$35,765	$17,597	$35,765	$18,351

Estimated amortization expense for the remainder of fiscal 2007 and for the succeeding years is as follows:

	(in thousands)
2007	$ 2,215
2008	2,459
2009	1,998
2010	1,988
2011	1,844
Thereafter	6,910
Total	$ 17,414

5. Disclosures About Pension Benefit Obligations

The pension cost for the three months ended December 31, 2005 and 2006 includes the following components:

	Three Months Ended December 31,			
	2005		2006	
	U.S.	Foreign	U.S.	Foreign
	(in thousands)			
Service costs	$ 765	$ 1,316	$ 651	$ 1,218
Interest cost on projected benefit obligation	1,678	3,812	1,876	4,282
Expected return on plan assets	(1,621)	(3,427)	(1,719)	(3,960)
Amortization of prior service costs	(290)	(220)	(289)	(97)
Amortization of net gain	1,433	1,459	982	949
Net periodic benefit costs	$ 1,965	$ 2,940	$ 1,501	$ 2,392

The total amounts of employer contributions paid for the three months ended December 31, 2006 were $0.1 million for U.S. subsidiaries and $3.8 million for foreign subsidiaries. The expected remaining scheduled annual employer contributions for fiscal year September 30, 2007 are $3.2 million for U.S. subsidiaries and $11.1 million for foreign subsidiaries.

6. Reportable Segments

The Company's management has organized its operations into two reportable segments: Professional Technical Services and Management Support Services. This segmentation corresponds to how the Company manages its business as well as the underlying characteristics of its markets.

Management internally analyzes the results of its segments and operations using the non-GAAP measure of net service revenues which is revenues, less other direct costs. The Company believes net service revenues is a measure of work performed by the Company and is a more accurate measure on which to base gross margin. All inter-company balances and transactions are eliminated in consolidation.

6. Reportable Segments (Continued)

The following tables set forth summarized financial information concerning the Company's reportable segments:

Reportable Segments:	Professional Technical Services	Management Support Services	Total
		(in thousands)	
Three Months Ended December 31, 2005:			
Revenues	$ 612,264	$ 134,479	$ 746,743
Net service revenues	399,599	13,574	413,173
Gross profit	192,131	6,620	198,751
Gross profit as a % of revenues	31.4%	4.9%	26.6%
Gross profit as a % of net service revenues	48.1%	48.8%	48.1%
Equity in earnings of joint ventures	749	921	1,670
General and administrative expenses	168,392	4,114	172,506
Segment income from operations	24,488	3,427	27,915
Three Months Ended December 31, 2006:			
Revenues	$ 753,545	$ 184,680	$ 938,225
Net service revenues	482,781	20,086	502,867
Gross profit	240,036	8,117	248,153
Gross profit as a % of revenues	31.9%	4.4%	26.4%
Gross profit as a % of net service revenues	49.7%	40.4%	49.3%

Equity in earnings of joint ventures	393	2,202	2,595
General and administrative expenses	203,679	5,771	209,450
Segment income from operations	36,750	4,548	41,298
Segment assets	1,693,436	124,643	1,818,079

6. Reportable Segments (Continued)

Reconciliations:	Three Months Ended December 31, 2005	2006
	(in thousands)	
Revenues:		
Revenues from reportable segments	$ 746,743	$ 938,225
Other revenue	54	324
Total consolidated revenues	$ 746,797	$ 938,549
Gross profit:		
Gross profit from reportable segments	$ 198,751	$ 248,153
Other contributions to gross profit	1,288	266
Total consolidated gross profit	$ 200,039	$ 248,419
General and administrative expenses:		
General and administrative expenses of reportable segments	$ 172,506	$ 209,450
Unallocated corporate general and administrative expense	4,477	10,378
Total general and administrative expenses	$ 176,983	$ 219,828
Income from operations:		
Segment income from operations	$ 27,915	$ 41,298
Loss from operations not allocated to reportable segments	(3,189)	(11,290)
Total consolidated income from operations	$ 24,726	$ 30,008
Segment assets:		
Total assets of reportable segments		$ 1,818,079
Other assets not allocated to reportable segments and eliminations		60,551
Total assets		$ 1,878,630

7. Recently Issued Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board, or FASB, issued SFAS No. 158, *"Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans"* (SFAS 158). SFAS 158 requires employers to fully recognize the obligations associated with defined benefit pension plans in their financial statements. The Company will be required to recognize such obligations as of September 30, 2007. Additionally, the Company will be required to measure such obligations as of the end of its fiscal year, rather than up to three months earlier as had been previously permitted, effective in its fiscal year ending September 30, 2009. The Company is currently evaluating the impact of the provisions of SFAS 158 on its results of operations and financial position.

In September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements"* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The provisions of SFAS 157 are effective for the fiscal year ending September 30, 2009. The Company is currently evaluating the impact of the provisions of SFAS 157 on its results of operations and financial position.

7. Recently Issued Accounting Pronouncements (Continued)

In June 2006, the FASB issued FASB Interpretation FIN, No. 48, "*Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109*" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. FIN 48 prescribes that a company should use a more-likely-than-not recognition threshold based on the technical merits of the tax position taken. Additionally, FIN 48 provides guidance on recognition or de-recognition of interest and penalties, changes in judgment in interim periods, and disclosures of uncertain tax positions. FIN 48 becomes effective for the Company in fiscal year beginning October 1, 2007. The Company is in the process of determining the effect of the adoption of FIN 48 on its results of operations and financial position.

In May 2005, the FASB issued SFAS No. 154, "*Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and FASB Statement No. 3*" (SFAS 154), which applies to all voluntary changes in accounting principle, as well as to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. APB Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized in net income as a cumulative effect of changing to the new accounting principle. SFAS 154 now requires retrospective application to prior periods' financial statements for changes in accounting principle, unless it is impracticable to do so. SFAS 154 became effective for the Company on October 1, 2006 and did not have any impact on its results of operations or financial position.

8. Stock-Based Compensation

In December 2004, the FASB issued its final SFAS on accounting for share-based payments (SBPs) SFAS No. 123 (revised 2004), "*Share-Based Payment"* (SFAS 123R) that requires the Company to expense the value of employee stock options and similar awards. Under SFAS 123R, SBP awards result in a cost that will be measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest. Compensation expense for awards that vest would not be reversed if the awards expire without being exercised.

SFAS 123R became effective for the Company on October 1, 2006. Upon adoption of SFAS 123R, the Company adopted the prospective transition method. Under this method, prior periods were not restated to reflect the impact of SFAS 123R. Under SFAS 123R, options and similar awards result in a cost that will be measured at fair value on the awards' grant dates, based on the estimated number of awards that are expected to vest. This statement requires that the Company recognize as compensation expense the fair value of all stock-based awards, including stock options, granted to employees and directors in exchange for services over the requisite service period, which is typically the vesting period. SFAS No. 123(R) also requires that cash flows resulting from tax benefits realized from stock option exercises or stock vesting events in excess of tax benefits recognized from stock-based compensation expenses be classified as cash flows from financing activities instead of cash flows from operating activities for awards subject to SFAS No. 123(R).

Prior to October 1, 2006, the Company accounted for employee stock-based compensation using the intrinsic value method of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Under the intrinsic value method, no compensation expense was reflected in net income for stock options granted to employees, as all stock options had an exercise price equal to the fair value of the underlying common stock on the date of grant.

8. Stock-Based Compensation (Continued)

Under the prospective transition method, the Company continues to account for options granted prior to October 1, 2006 under the provisions of APB Opinion No. 25. Since all stock options had an exercise price equal to the fair value of the underlying common stock on the date of grant, no compensation expense will be recognized for options granted prior to October 1, 2006 unless modifications are made to those options. Prior to the adoption of SFAS 123(R), the fair value of stock options used to disclose pro forma net income and earnings per share disclosures was the estimated value using the minimum value method as allowed for non-public companies. The adoption of SFAS 123(R) did not have a cumulative effect on the Company's results of operations, financial position, or cash flows.

The fair value of the Company's stock option awards is estimated on the date of grant using the Black-Scholes option-pricing model. The expected term of awards granted represents the period of time the awards are expected to be outstanding. As the Company's common stock is not publicly-traded, expected volatility is based on a historical volatility, for a period consistent with the expected option term, of publicly-traded peer companies. The risk-free interest rate is based on the yield curve of a zero-coupon U.S. Treasury bond with a maturity equal to the expected term of the option on the grant date. The Company uses historical data as a basis to estimate forfeitures.

The fair value of options granted during the three months ended December 31, 2006 was determined using the following weighted average assumptions:

	Three Months Ended December 31, 2006
Dividend yield	—
Expected volatility	25.0%
Risk-free interest rate	4.6%
Expected term (in years)	7.0

As a result of the adoption of SFAS 123(R), the Company's net income for the quarter ended December 31, 2006 was $0.1 million lower than under the Company's previous accounting method, as a result of recognizing as expense the fair value of stock options.

Stock option activity for the three months ended December 31, 2006 was as follows:

	Shares of stock under options	Weighted average exercise price	Weighted average remaining contractual term (In years)	Aggregate intrinsic value (In thousands)
Outstanding at September 30, 2006	4,464,320	$ 16.85	3.31	$ 75,213
Options granted	232,510	28.40	7.00	6,603
Options forfeited or expired	1,733	27.68	6.75	48
Options exercised	23,700	21.90	4.79	519
Outstanding at December 31, 2006	4,671,397	17.39	3.24	81,249
Vested and expected to vest in the future as of December 31, 2006	4,666,750	$ 17.38	3.24	$ 81,117

8. Stock-Based Compensation (Continued)

The weighted average grant-date fair value of stock options granted during the three months ended December 31, 2006 was $10.96.

9. Earnings Per Share

Basic earnings per share, or EPS, excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding and dilutive potential common shares for the period. The Company includes as potential common shares the weighted average dilutive effects of outstanding stock options using the treasury stock method.

The following table sets forth the number of weighted average shares used to compute basic and diluted EPS:

	Three Months Ended December 31,	
	2005	2006
	(in thousands, except per share data)	
Numerator for basic earnings per share:		
Net income	$12,955	$25,520
Preferred stock dividends	(1,384)	(29)
Net income available for common stockholders	$11,571	$25,491
Denominator for basic earnings per share:		
Weighted average shares	26,644	28,800
Numerator for diluted earnings per share:		
Net income	$12,955	$25,520
Denominator for diluted earnings per share:		
Denominator for basic earnings per share	26,644	28,800
Potential common shares:		
Preferred stock, Class D	4,480	—
Preferred stock, Class F and G	—	9,373
Stock options	1,101	1,118
Preferred stock, other	206	193
Stock matches	12	26
Stock units	6	8
Stock warrants	163	—
Denominator for diluted earnings per share	32,612	39,518
Earnings per share:		
Basic	$ 0.43	$ 0.89
Diluted	$ 0.40	$ 0.65

For the three months ended December 31, 2005 and 2006, no options were excluded from the calculation or were considered anti-dilutive.

10. Stock Plans

During the quarters ended December 31, 2005 and 2006, the Company’s Global Stock Program, or GSP, sold to the Company 0.8 million and 0.7 million shares for $19.2 million and $20.8 million, respectively. During the quarters ended December 31, 2005 and 2006, the Company’s Stock Purchase Plan, or SPP, sold to the Company 0.3 and 0.3 million shares for $8.1 million and $9.4 million, respectively. During the quarters ended December 31 2005 and 2006, direct shareholders sold to the Company 0.5 million and 0.6 million shares for $13.8 million and $16.2 million, respectively.

11. Commitments and Contingencies

The Company is a defendant in various lawsuits arising in the normal course of business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Company.

The Company is contingently liable in the amount of approximately $44.6 million under standby letters of credit issued primarily in connection with general and professional liability insurance programs and for payment and performance guarantees relating to domestic and overseas contracts. In addition, in some instances the Company guarantees that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, the Company may either incur significant additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards.

Under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) will be required to complete those activities. The Company generally only enters into joint venture arrangements with partners who are reputable, financially sound and who carry appropriate levels of surety bonds for the project in order to adequately assure completion of their assignments. The Company is a partner in certain joint ventures where the joint venture has contracted with subconsultants for certain specialized professional services. The joint venture, or the Company to the extent that the joint venture partner(s) are unable to fulfill their responsibilities, is liable to the third-party customer for performance of the sub-consultant and would be liable to the sub-consultant if the third-party customer failed to make payments due the joint venture for sub-consultant services.

12. Litigation

The Company is subject to certain claims and lawsuits typically filed against the engineering and consulting profession, alleging primarily professional errors or omissions. The Company carries professional liability insurance against such claims, subject to certain deductibles and policy limits. From time to time the Company establishes reserves for litigation that is considered a probable of a loss.

13. Subsequent Event

As of February 20, 2007, all of the Company's outstanding loans previously made to certain directors and senior officers under it's Senior Executive Equity Investment Plan, or SEEIP, were terminated and repaid.

Exhibit 3.6

RESTATED BYLAWS OF

AECOM TECHNOLOGY CORPORATION

(a Delaware corporation)

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RESTATED BYLAWS
OF
AECOM TECHNOLOGY CORPORATION
(a Delaware corporation)

Last amended as of March 1, 2007

INTRODUCTION; DEFINITIONS

Set forth below are the bylaws (as may hereafter be amended and restated from time to time, the “Bylaws”) of AECOM Technology Corporation, a Delaware corporation (the “Corporation”).

ARTICLE I
Offices

Section 1.1 *Registered Office.* The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, Delaware and the name of the resident agent in charge thereof is the agent named in the Restated Certificate of Incorporation until changed by the Board.

Section 1.2 *Principal Executive Office.* The principal executive office for the transaction of the business of the Corporation shall be at such place, either within or outside the State of Delaware, as may be established by the Board. The Board is granted full power and authority to change such principal executive office from one location to another.

Section 1.3 *Other Offices.* The Corporation may also have an office or offices at such other places, either within or outside the State of Delaware, as the Board may from time to time designate or the business of the Corporation may require.

Section 1.4 *Location of Books.* Subject to any provision contained in applicable law, the books, documents and papers of the Corporation may be kept at such place, either within or outside the State of Delaware, as may be designated from time to time by the Board or these Bylaws.

ARTICLE II
Meetings of Stockholders

Section 2.1 *Place of Meetings; Organization.* Meetings of stockholders shall be held at such time and place, either within or outside the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his or her absence by the CEO or President, if any, or in his or her absence by the Chief Operating Officer, or in the absence of the foregoing persons by a chairman designated by the Board, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.2 *Annual Meetings.* An annual meeting of the stockholders of the Corporation for the purpose of electing directors and for the transaction of such other proper business as may come before such meeting shall be held during each fiscal year of the Corporation at such time, date and place as the Board shall determine by resolution. At an annual meeting of the stockholders, the only business which shall be conducted is that which shall have been properly brought before the meeting. The procedures for the proper nomination of a candidate for election as a director are set forth in Section 3.3 of these Bylaws. To be properly brought before an annual meeting of stockholders, any other business must be (a) specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board, (b) otherwise properly brought before the meeting by or at the direction of the Board, or (c) otherwise properly brought before the meeting by a stockholder. For such business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive office of the Corporation, not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event

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that less than 70 days' notice of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporations books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, (d) any material interest of the stockholder in such business, and (e) in the event that any proposed action consists of or includes a proposal to amend either the Restated Certificate of Incorporation or these Bylaws, the language of the proposed amendment. If the chairman of the annual meeting determines that any business was not properly brought before the meeting in accordance with the provisions of this Section, he or she shall so declare to the meeting and such business shall not be transacted.

Section 2.3 *Special Meetings.* Special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time by the Board, or by a committee of the Board which has been duly designated by the Board and whose powers and authority, as expressly provided in a resolution of the Board, include the power to call such meetings, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice of the meeting.

Section 2.4 *Stockholder Lists.* The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or at the place of the meeting, and the list shall also be available at the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 2.5 *Notice of Meetings.* Notice of each meeting of stockholders, whether annual or special, stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which such meeting has been called, shall be given to each stockholder of record entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at the stockholder's address as it appears on the records of the Corporation.

Section 2.6 *Quorum and Adjournment.* The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for holding all meetings of stockholders, except as otherwise provided by applicable law or by the Restated Certificate of Incorporation; provided, however, that the stockholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum (or such greater vote as may be required by law, the Restated

Certificate of Incorporation or these Bylaws). If it shall appear that such quorum is not present or represented at any meeting of stockholders, the chairman of the meeting shall have power to adjourn the meeting from time to time until a quorum shall be present or represented. Notice need not be given of any such

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adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. The chairman of the meeting may determine that a quorum is present based upon any reasonable evidence of the presence in person or by proxy of stockholders holding a majority of the outstanding votes, including without limitation, evidence from any record of stockholders who have signed a register indicating their presence at the meeting.

Section 2.7 *Voting.* At all meetings of stockholders for the election of directors, when a quorum is present, a plurality of the votes of the shares of capital stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors shall be sufficient to elect. In all other matters, when a quorum is present at any meeting, the affirmative vote of the holders of a majority of the shares of capital stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which by express provision of applicable law or of the Restated Certificate of Incorporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Such vote may be by voice vote or by written ballot; provided, however, that no vote at any meeting of stockholders need be by written ballot unless the Board, in its discretion, or the officer of the Corporation presiding at the meeting, in his or her discretion, specifically directs the use of a written ballot.

Unless otherwise provided in the Restated Certificate of Incorporation, each stockholder entitled to vote at any meeting of the stockholders shall be entitled to one vote (in person or by proxy) for each share of the capital stock held by such stockholder which has voting power upon the matter in question.

Section 2.8 *Proxies.* Each stockholder entitled to vote at a meeting of stockholders may authorize in writing another person or persons to act for such holder by proxy, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period of time for which it is to continue in force. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing with the Secretary an instrument in writing revoking the proxy or another duly executed proxy bearing a later date.

Section 2.9 *Judges of Election.* The Board may appoint a Judge or Judges of Election for any meeting of stockholders. Such Judges of Election, if so appointed, shall decide upon the qualification of the voters and report the number of shares represented at the meeting and entitled to vote, shall conduct the voting and accept the votes and when the voting is completed shall ascertain and report the number of shares voted respectively for and against each position upon which a vote is taken by ballot. The Judges of Election need not be stockholders, and any officer of the Corporation may be a Judge of Election on any position other than a vote for or against a proposal in which such person shall have a material interest.

ARTICLE III
Directors

Section 3.1 *Powers; Organization.* The Board shall have the power to manage or direct the management of the property, business and affairs of the Corporation, and except as expressly limited by law, to exercise all of its corporate powers. The Board may establish procedures and rules, or may authorize the chairman of any meeting of stockholders to establish procedures and rules, for the fair

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and orderly conduct of any meeting of the stockholders including, without limitation, registration of the stockholders attending the meeting, adoption of an agenda, establishing the order of business at the meeting, recessing and adjourning the meeting for the purposes of tabulating any votes and receiving the result thereof, the timing of the opening and closing of the polls, and the physical layout of the facilities for the meeting. Meetings of the Board shall be presided over by the Chairman of the Board, if any, or in his or her absence by the CEO or President, or in his or her absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any other person to act as secretary of the meeting.

Section 3.2 *Number.* The exact number shall be fixed from time to time by a resolution adopted by the Board of Directors. Directors need not be stockholders, and each director shall serve until such person’s successor shall have been duly elected and qualified, unless such person shall retire, resign, become disqualified or disabled or shall otherwise be removed.

Section 3.3 *Nominations.* Except with respect to the rights of the holders of Class D Convertible Preferred Stock, Class F Convertible Preferred Stock and Class G Convertible Preferred Stock of the Corporation, including those rights set forth in the Certificates of Designations of Class D Convertible Preferred Stock, Class F Convertible Preferred Stock and Class G Convertible Preferred Stock of the Corporation, only persons who are nominated in accordance with the procedures set forth in this Section shall be eligible for election as directors. Nominations of candidates for election as directors of the Corporation may be made by or at the direction of the Board or by any stockholder entitled to vote at a meeting at which directors are to be elected (an “Election Meeting”) who complies with the notice procedures set forth in this Section.

Nominations made by or at the direction of the Board shall be made at a meeting of the Board or by written consent of directors in lieu of a meeting, not less than 75 days prior to the date of an Election Meeting. At the request of the Secretary of the Corporation, each proposed nominee shall provide the

Corporation with such information concerning himself or herself as is required to be included in the Corporation's proxy statement soliciting proxies for his or her election as a director.

Nominations made by a stockholder entitled to vote at an Election Meeting shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive office of the Corporation not less than 60 days nor more than 90 days prior to the Election Meeting; provided, however, that in the event that less than 70 days' notice of the date of the Election Meeting is given or made to the stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of such meeting was mailed or such public disclosure was made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of capital stock of the Corporation that are beneficially owned by such person and (iv) such other information concerning such person as would be required in a proxy statement soliciting proxies for the election of, directors (including without limitation such person's signed written consent to being named in the proxy statement as a nominee and to serve as a director of the Corporation, if elected); and (b) as to the stockholder giving the notice, (i) the name and address, as they appear on the Corporation's books, of such stockholder and (ii) the class and number of shares of the Corporation which are beneficially owned by such stockholder.

If the chairman of an Election Meeting determines that a nomination was not made in accordance with the foregoing procedures, he or she shall so declare to the meeting and such nomination shall be void.

Section 3.4 *Vacancies and Newly Created Directorships.* Any newly created directorship resulting from an increase in the number of directors may be filled by a majority of the Board then in office, provided that a quorum is present, and except as provided below, any other vacancy on the Board may be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.

Section 3.5 *Meetings.* The Board may hold annual, regular or special meetings, either within or outside the State of Delaware.

Section 3.6 *Annual Meeting.* The Board shall meet as soon as practicable after each annual election of directors.

Section 3.7 *Regular Meetings.* Regular meetings of the Board shall be held without call or notice at such times and places as shall from time to time be determined by resolution of the Board.

Section 3.8 *Special Meetings.* Special meetings of the Board may be called at any time, and for any purpose permitted by law, by the Chairman of the Board (or, if the Board does not appoint a Chairman of the Board, the President), or by the Secretary on the written request of any two members of the Board unless the Board consists of only one director in which case the special meeting shall be called on the written request of the sole director, which meetings shall be held at the time and place designated by the person or persons calling the meeting. Notice of the time, place and purpose of any such meeting shall be given to the directors by the Secretary, or in case of the Secretary's absence, refusal or inability to act, by any other officer.

Section 3.9 *Quorum; Vote Required; Adjournment.* At all meetings of the Board, a majority of the whole Board shall be necessary and sufficient to constitute a quorum for the transaction of business. Except as may be otherwise specifically provided by applicable law or by the Restated Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. Any meeting of the Board may be adjourned to meet again at a stated day and hour. Even though a quorum is not present, as required in this Section, a majority of the Directors present at any meeting of the Board may adjourn from time to time until a quorum be present. Notice of any adjourned meeting need not be given.

Section 3.10 *Fees and Compensation.* Each director and each member of a committee of the Board shall receive such fees and reimbursement of expenses incurred on behalf of the Corporation or in attending meetings as the Board may from time to time determine. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.11 *Meetings by Telephonic Communication.* Members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

Section 3.12 *Committees.* The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to: (a) amending the Restated Certificate of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board as provided in Section 151(a) of the Delaware General Corporation Law, fix the designations and any of the

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preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series); (b) adopting an agreement of merger or consolidation under Section 251 or 252 of the Delaware General Corporation Law; (c) recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets; (d) recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution; or (e) amending these Bylaws. Each committee shall have such name as may be determined from time to time by resolution adopted by the Board and shall keep minutes of its meetings and report to the Board when required. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to these Bylaws.

Section 3.13 *Action Without Meeting.* Unless otherwise restricted by applicable law or by the Restated Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board or committee.

ARTICLE IV
Officers

Section 4.1 *Appointment and Salaries.* The officers of the Corporation shall be chosen by the Board of Directors and shall exercise such powers and perform such duties as directed by the Board of Directors or as delegated to either a Committee of the Board or the Chief Executive Officer (the "Delegates"). Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide. The officers shall hold their offices for such terms as shall be determined from time to time by the Board or the Delegates. In the absence of a determination by the Board or the Delegates, as the case may be, of the term of office of an officer, such officer shall hold office until the first meeting of the Board after the annual meeting of stockholders next succeeding the officer's election. Each officer shall hold his or her office until the officer's successor is elected and qualified or until the officer's earlier resignation or removal. The Board, or a committee thereof, shall determine the compensation for the officers appointed hereunder who are either Executive Officers (as such term is defined under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of the Corporation or who directly report to the Chief Executive Officer.

Section 4.2 *Removal and Resignation.* Subject to the provisions of such person's employment agreement, if any, any officer may be removed at any time, either with or without cause, by the Board or the Delegates. Any officer may resign at any time by giving notice to the Board, the Chief Executive Officer, such person's immediate supervisor, or the Secretary. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board at any meeting of the Board or the Delegates.

ARTICLE V
Indemnification and Insurance

Section 5.1 *Right to Indemnification.* Each person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether brought in the name of the

Corporation or otherwise and whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or inaction in an official capacity or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the laws of Delaware, as the same exist or may hereafter be amended, against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that, except as provided in Section 5.2 hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; *provided*, *however*, that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of the Board, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers. Any amendment to this Article V or to the Delaware General Corporation Law shall, to the extent such amendment may have the effect of limiting, reducing, or eliminating the Corporation's obligations to indemnify or to advance expenses, be effective only prospectively and shall not affect any right to indemnity or advances arising out of or in connection with facts or circumstances in existence prior to the effectiveness of such amendment.

Section 5.2 *Right of Claimant to Bring Suit.* If a claim under Section 5.1 of this Article is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has failed to meet a standard of conduct which makes it permissible under Delaware law for the Corporation to indemnify the claimant for the amount claimed. Neither the failure of the Corporation (including its Board, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is permissible in the circumstances because he or she has met such standard of conduct, nor an actual determination by the Corporation (including its Board, independent legal counsel, or its stockholders) that the claimant has not met such standard of conduct, shall be a defense to the action or create a presumption that the claimant has failed to meet such standard of conduct.

Section 5.3 *Non-Exclusivity of Rights.* The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute,

provision of the Restated Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5.4 *Insurance.* The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under Delaware law.

Section 5.5 *Expenses as a Witness.* To the extent that any director, officer, employee or agent of the Corporation is by reason of such position, or a position with another entity at the request of the Corporation, a witness in any action, suit or proceeding, he shall be indemnified against all costs and expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 5.6 *Indemnity Agreements.* The Corporation may enter into agreements with any director, officer, employee or agent of the Corporation providing for indemnification to the full extent permitted by Delaware law.

ARTICLE VI
Miscellaneous

Section 6.1 *Seal.* It shall not be necessary to the validity of any instrument executed by any authorized officer or officers of the Corporation that the execution of such instrument be evidenced by the corporate seal, and all documents, instruments, contracts and writings of all kinds signed on behalf of the Corporation by any authorized officer or officers shall be as effectual and binding on the Corporation without the corporate seal, as if the execution of the same had been evidenced by affixing the corporate seal thereto. The Board may give general authority to any officer to affix the seal of the Corporation and to attest the affixing by signature.

Section 6.2 *Stock Certificates; Uncertificated Shares.* The shares of the Corporation shall be represented by certificates; provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation’s stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Any or all of the signatures on any stock certificates may be a facsimile signature. If any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent, or registrar at the date of the issuance.

Section 6.3 *Representation of Shares of Other Corporations.* Any and all shares of any other corporation or corporations standing in the name of the Corporation shall be voted, and all rights incident thereto shall be represented and exercised on behalf of the Corporation, as follows: (i) as the Board may determine from time to time, or (ii) in the absence of such determination, by the President. The foregoing authority may be exercised either by such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by such officer.

Section 6.4 *Lost, Stolen or Destroyed Certificates.* The Board may direct a new certificate or certificates of stock or uncertificated shares be issued in place of any certificate theretofore issued and that is alleged to have been lost, stolen or destroyed, upon the making of an affidavit of the fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board may, in its discretion and as a condition precedent to the issuance, require the owner of such certificate or certificates, or such person’s legal representative, to give the Corporation a

bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the lost, stolen or destroyed certificate.

Section 6.5 *Record Date.* The Board may fix a date as a record date, which shall not precede the date upon which the resolution fixing such record date is adopted by the Board, for the determination of stockholders entitled (a) to notice of or to vote at any meeting of stockholders, so long as such record date is not more than sixty days nor less than ten days before the date of such meeting, or (b) to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, so long as such record date is not more than sixty days prior to such action. Only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend or other distribution, or to receive such allotment of rights, or to exercise such rights, or for the purpose of any such other lawful action, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date is so fixed. If no record date is fixed by the Board: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (2) the record date for determining stockholders for any other purpose stated above shall be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 6.6 *Registered Stockholders.* The Corporation shall be entitled to treat the holder of record of any share or shares of stock of the Corporation as the holder in fact thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by applicable law.

Section 6.7 *Fiscal Year.* The fiscal year of the Corporation shall be fixed by resolution of the Board.

Section 6.8 *Amendments.* Subject to any contrary or limiting provisions contained in the Restated Certificate of Incorporation, these Bylaws may be repealed, altered, amended or rescinded, or new Bylaws may be adopted by the Board of Directors or the stockholders of the Corporation. Any Bylaws adopted, amended or altered by the stockholders may be amended, altered or repealed by the Board or the stockholders.

Section 6.9 *Waiver of Notice.* Whenever any notice is required to be given under the provisions of the General Corporation Law of Delaware or of the Restated Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 6.10 *Transfer of Securities.*

(a) No holder of shares of the Convertible Preferred Stock (the "Convertible Preferred Stock") or the Common Stock of the Corporation (the "Common Stock" and collectively with the Convertible Preferred Stock, the "Employee Stock") shall sell, transfer, assign, contribute, gift or otherwise dispose

of (collectively, "transfer") any shares of Employee Stock, other than to the Corporation at the "Liquidation Preference" (as defined in the Corporation's Certificate of Incorporation), in the case of the Convertible Preferred Stock, and/or the Common Valuation Price (as defined below) in the case of the Common Stock, and on the terms set forth below. Notwithstanding the foregoing, a holder of Employee Stock may transfer shares of Employee Stock to (i) a trust described in Section 401(a) of the U.S. Internal Revenue Code (the "Code"); (ii) an individual retirement account (as defined in Section 408(a) of the Code) of such holder; (iii) a legal spouse, son or daughter of such holder (a "Permitted Relative"); (iv) a corporation, other company or partnership owned or controlled by such holder and/or a Permitted Relative (a "Permitted Corporation" and a "Permitted Partnership", as the case may be); or (v) a nominee for any person entitled to hold Employee Stock under this Section 6.10(a) or an inter vivos or other trust maintained for the principal benefit of such holder and/or a Permitted Relative, and/or a Permitted Corporation and/or a Permitted Partnership. Any transfer or purported transfer that does not comply with the provisions of this Section 6.10 shall be void *ab initio* and of no force or effect.

(b) A holder desiring to transfer any shares of Employee Stock shall give written notice to the Corporation of the holder's desire to transfer any or all shares of Employee Stock (the "Transfer Notice"), specifying the number and type of shares of Employee Stock the holder desires to transfer; provided, however, that in no event (other than in case of hardship, as defined in Section 11.3 of the Corporation's Retirement & Savings Plan) shall any Transfer Notice be given prior to the time such holder's employment with the Corporation terminates. Within 30 days after receipt by the Corporation of the Transfer Notice (a "Purchase Period"), the Corporation may, if it so elects, and to the extent permitted by applicable law and subject to the provisions of any indenture, instrument or agreement (collectively, "Senior Debt Agreements") governing outstanding senior notes, bonds, loans or other indebtedness of the Corporation (collectively, "Senior Debt"), purchase all (or such lesser amount, as the Corporation, in its sole discretion, elects) of the shares of Employee Stock specified in the Transfer Notice at a purchase price equal to the Liquidation Preference of Convertible Preferred Stock purchased and/or the Common Valuation Price per share of Common Stock purchased. The aggregate purchase price shall be paid by the Corporation by check.

If the Corporation does not elect to purchase all of the shares of Employee Stock specified in the Transfer Notice with cash, the Corporation shall, to the extent permitted by applicable law and subject to the provisions of any Senior Debt Agreement, offer to purchase all the shares of Employee Stock specified in the Transfer Notice at a purchase price equal to the Liquidation Preference in the case of the Convertible Preferred Stock or the Common Valuation Price per share in the case of the Common Stock. Such purchase price shall be paid by means of a five-year unsecured promissory note dated as of a date within 90 days after the end of the fiscal year in which the stockholder gives the Transfer Notice, in the principal amount equal to the aggregate purchase price, with principal and interest payable annually, each payment to consist of 20% of the initial principal amount of the promissory note plus accrued but unpaid interest at the rate per annum equal to the Applicable Benchmark (as defined in the next sentence) plus 1% per annum, (but in neither event in excess of the maximum interest rate allowable under applicable law). For purposes of this Section 6.10, "Applicable Benchmark" shall mean (i) London InterBank Offered Rate, (ii) InterBank Offered Rate, (iii) Alternative Base Rate III of Citibank, N.A. or any other major multi-national bank or (iv) such other commonly accepted floating interest rate benchmark adopted by the Global Stock Plan Committee (or any successor body) of this Corporation, all as in effect from time to time. Such promissory note shall be subordinated to the Corporation's Senior Debt. Such stockholder shall have 30 days to accept such offer, if made, by the Corporation. Alternatively, such stockholder may elect for the Corporation to make five annual repurchases of all or a portion of the Employee Stock specified in the Transfer Notice, which shall commence within 90 days after the end of the fiscal year in which the stockholder gives the Transfer Notice. The first such payment shall equal one-fifth of the shares specified in the Transfer Notice; the second such payment shall equal one-fourth of the balance of the shares specified in the Transfer

Notice; the third such payment shall equal one-third of the balance of the shares specified in the Transfer Notice; the fourth such payment shall equal one-half of the balance of the shares specified in the Transfer Notice; and the fifth such payment shall equal the balance of the shares specified in the Transfer Notice. Alternatively, in lieu of such five annual payments or repurchases, such stockholder may elect for the Corporation to make nine annual repurchases of all or a portion of the shares specified in the Transfer Notice, which shall commence within 90 days after the end of the fiscal year in which the stockholder gives the

Transfer Notice. The first such payment shall equal one-ninth of the shares specified in the Transfer Notice; the second such payment shall equal one-eighth of the balance of the shares specified in the Transfer Notice; the third such payment shall equal one-seventh of the balance of the shares specified in the Transfer Notice; the fourth such payment shall equal one-sixth of the balance of the shares specified in the Transfer Notice; the fifth such payment shall equal one-fifth of the balance of the shares specified in the Transfer Notice; the sixth such payment shall equal one-fourth of the balance of the shares specified in the Transfer Notice; the seventh such payment shall equal one-third of the balance of the shares specified in the Transfer Notice; the eighth such payment shall equal one-half of the balance of the shares specified in the Transfer Notice; and the ninth such payment shall equal the balance of the shares specified in the Transfer Notice. The Corporation may accelerate such installment repurchases at any time.

For purposes of this Section 6.10(b), Common Valuation Price shall mean the price per share at which shares of Common Stock were sold to the Corporation's Retirement & Savings Plan or the per share valuation of the Common Stock under the Corporation's Retirement & Savings Plan as of the end of the fiscal year in which the stockholder gives the Transfer Notice, or if no such sale occurred or no such valuation has been established as of such date, then the Common Valuation Price shall be the fair market value of a share of Common Stock (as determined on an enterprise basis by an appraiser, valuation firm or investment banker appointed in good faith by the Board) as of such date.

(c) If the Corporation elects to purchase for cash or to offer to purchase for the promissory note as described in Section 6.10(b) (collectively, "Purchases") some but not all of the shares of Employee Stock otherwise available to be purchased during a Purchase Period, such Purchases shall be made by the Corporation in the order hereinafter set forth. First, Purchases will be made from those who wish to sell on account of hardship, as defined in Section 11.3 of the Corporation's Retirement & Savings Plan. Next, Purchases will be made from persons who have given a Transfer Notice and are no longer an employee as a result of:

(i) first, death or disability (excluding persons who have elected to receive distributions to which they are entitled under the Corporation's Retirement & Savings Plan in installments);

(ii) second, termination of employment by a person who has attained normal retirement age (as determined under the Corporation's Retirement & Savings Plan) (excluding persons who have elected to receive distributions to which they are entitled under the Corporation's Retirement & Savings Plan in installments);

(iii) third, termination of employment that did not result from death or disability or is not covered by clause (ii) hereof (excluding persons who have elected to receive distributions to which they are entitled under the Corporation's Retirement & Savings Plan in installments); and

(iv) fourth, termination of employment by a person who has elected to receive distributions to which they are entitled under the Corporation's Retirement & Savings Plan in installments.

Finally, Purchases will be made from persons who have given a Transfer Notice and are not otherwise identified above. The determination of whether any Purchase will be made for cash or will be made by an offer to purchase for the promissory note as described in Section 6.10(b) shall be within the sole discretion of the Corporation.

To the extent the amount the Corporation elects to purchase is sufficient to make all Purchases in any of the above clauses (and all preceding clauses), then all Purchases as described in said clauses (and all preceding clauses) will be made and any excess to be purchased shall be used to make Purchases described in the next following clause according to the following sentence. The persons described in such next following clauses shall be listed in order (for the person with the lowest number of shares of Employee Stock identified in the Transfer Notice first to the person with the greatest number of shares of Employee Stock identified in the Transfer Notice last) and Purchases shall be made with respect to such persons in such order until all remaining Purchases to be made have been made.

(d) The Corporation reserves the right to engage in Purchases of some or all shares of Common Stock within a shorter period of time than that provided for above, in which event the Common Valuation Price shall mean the most recent price per share at which shares of Common Stock were sold to the Corporation's Retirement & Savings Plan or the most recent per share valuation of the Common Stock under the Corporation's Retirement & Savings Plan, or if no such sale occurred or no such valuation has been established as of a date within 270 days prior to the date on which the Corporation gives notice of such intent, then the Common Valuation Price shall be the fair market value of a share of Common Stock (as determined on an enterprise basis by an investment banker appointed in good faith by the Board) as of the end of the month preceding the month in which the Corporation gives notice of such intent.

(e) Notwithstanding anything contained herein to the contrary, any holder of Employee Stock wishing to sell Employee Stock to the Corporation on account of hardship (as defined by Section 11.3 of the Corporation's Retirement & Savings Plan) or pursuant to Section 6.10(c)(i) hereof may make demand on the Corporation to engage in a Purchase of such Employee Stock, and the Corporation shall engage in such Purchase according to the procedure set forth in Section 6.10(b) hereof, within ninety (90) days after the date of such demand, to the extent permitted by applicable law and subject to the provisions of any Senior Debt Agreement. For purpose of repurchases of Common Stock, the Common Valuation Price shall mean the most recent price per share at which shares of Common Stock were sold to the Corporation's Retirement & Savings Plan or the most recent per share valuation of the Common Stock under the Corporation's Retirement & Savings Plan, or if no such sale occurred or no such valuation has been established as of a date within 270 days prior to the date on which the Corporation gives notice of such intent, then the Common Valuation Price shall be the fair market value of a share of Common Stock (as determined on an enterprise basis by an appraiser, valuation firm or investment banker appointed in good faith by the Board) as of the end of the month preceding the month in which the holder gives notice of such intent. For purposes of repurchases of Convertible Preferred Stock, Liquidation Preference shall have the meaning set forth in the Corporation's Certificate of Incorporation.

(f) If any of the shares of Employee Stock of such stockholder are not purchased as provided in this Section 6.10, then any such unpurchased shares of Employee Stock shall no longer be subject to the provisions of this Section 6.10.

(g) References herein to any "plan," or "section" of any plan or statute, shall (i) include any successor or replacement plan or section and (ii) in the case of any U.S. plan or statute, any overseas counterpart, as the case may be. References to this Corporation's "Certificate of Incorporation," "Bylaws" and "Debt Agreements" shall mean such documents, instruments and agreements as the same are amended, restated or replaced from time to time. Nothing in this Section 6.10 shall be in derogation of repurchases otherwise allowed under the Corporation's Retirement & Savings Plan, any liquidation, diversification or similar share repurchase plan or program of the Corporation, any other stock, option or similar program or plan of the Corporation, or under applicable law.

(h) For purposes of this Section 6.10, all notices shall be sent either by (i) registered or certified mail, postage prepaid, return receipt requested or (ii) via facsimile transmission, in either case to the principal executive office of the Corporation (in the case of notices to the Corporation) or to the address of such holder as it appears on the books of the Corporation (or if no such address appears, at the place where the principal office of the Corporation is located). In the case of mailed notices to such holder, such notice shall be deemed given three days (if mailed and delivered within the U.S.) or five days (if mailed from or delivered to outside the U.S.) after so mailed. In the case of notices sent by facsimile transmission, such notice shall be deemed given on the same day (if sent on a business day and received no later than 5:00 p.m., local time, on a business day in the receiving jurisdiction) or the next business day (otherwise).

(i) Notwithstanding any other provision in these Bylaws, this Section 6.10 shall be void and of no further force or effect from and after the effective date of an initial underwritten public offering of common stock pursuant to a registration statement filed under the Securities Act of 1933, as amended, made by this Corporation (or a successor entity). This Section 6.10 shall not apply and shall be of no force or effect against any person to the extent such person holds (1) any shares of Class D Convertible Preferred Stock ("Class D Convertible Preferred Stock"), par value $0.01 per share, of the Corporation, Class F Convertible Preferred Stock ("Class F Convertible Preferred Stock"), par value $0.01 per share, of the Corporation, or Class G Convertible Preferred Stock ("Class G Convertible Preferred Stock" and together with the Class D Convertible Preferred Stock and the Class F Convertible Preferred Stock, the "Preferred Stock") or (2) any shares of Common Stock that were originally issued by the Corporation upon (x) the conversion of such Preferred Stock into Common Stock , or (y) the exercise of the warrants to purchase Common Stock issued in connection with the issuance of the Class D Convertible Preferred Stock.

AECOM

AECOM
555 South Flower Street, 37th Floor, Los Angeles, California 90071-2300
T 213.593.8000 F 213.593.8730 www.aecom.com

March 7, 2007

VIA EDGAR
Karen J. Garnett
Assistant Director
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: AECOM Technology Corporation
Registration Statement on Form 10
File No. 0-52423
Filed January 29, 2007

Dear Ms. Garnett:

This letter is in response to your comment letter dated February 27, 2007, regarding the above-referenced registration statement for AECOM Technology Corporation ("AECOM" or the "Company"). To assist your review, we have retyped the text of the Staff's comment in italics below. We have also included with this letter a marked copy of the amendment to the registration statement on Form 10 (the "Amendment").

General

1. *Please note that the Form 10 goes effective by lapse of time 60 days after the original filing date, pursuant to Section 12(g)(1) of the Securities Exchange Act of 1934. Upon the expiration of this 60-day time period, you will be subject to the reporting requirements under Section l3(a) of the Securities Exchange Act of 1934. In addition, we will continue to review your filing until all of our comments have been addressed.*

We note the Staff's comment and confirm our understanding that AECOM will be subject to the reporting requirements of the Securities Exchange Act of 1934 at the end of the 60-day period. In addition, we confirm that AECOM will continue to address all of the Staff's comments that have not been resolved prior to the end of the 60-day period.

2. *Please update your financial statements and related notes in accordance with Rule 3-12 of Regulation S-X.*

In accordance with Rule 3-12 of Regulation S-X, we have updated our financial statements to include quarterly financial statements of AECOM for the quarter ended December 31, 2006 and have made other changes we believe are required.

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3. *We note in Schedule 5.15(c) to the note purchase agreement, filed as Exhibit 10.3, that as of May 29, 1998, you had a 49% ownership interest in Williams Brothers Iran Consulting Engineers. Iran is identified by the U.S. as a state sponsor of terrorism and is subject to U.S. economic sanctions and export controls. Please advise us whether you continue to hold an interest in Williams Brothers Iran Consulting Engineers and, if so, describe that company and its operations, including any contacts with Iran. Describe for us any other past, current and anticipated contacts you have with Iran, whether through affiliates or other direct or indirect arrangements. Your response should describe any agreements, commercial arrangements or other contacts with the government of Iran or entities controlled by that government. We may have further comment.*

Our partial ownership interest in Williams Brothers Iran Consulting Engineers ("WBICE") was held through The Resource Sciences Corporation, one of our subsidiaries. WBICE was formed in the 1970s, has been dormant and not conducted business for at least a decade and has been administratively dissolved.

Other than listed below, we advise that the Company does not believe that it has any other past contacts nor any current or anticipated contacts with Iran.

A. Prior to joining the Company, our U.K. subsidiary Maunsell provided supervision services in the early 1990s for a project in Iran involving tunneling work for a water pipeline. We understand that this project involved one Maunsell engineer on site in Iran.

B. We understand that prior to joining the Company, Oscar Faber, a predecessor to one of our subsidiaries, provided services more than 25 years ago with respect to the design and construction of two cement plants in Iran.

C. Our subsidiary DMJM Harris provided engineering services as a subcontractor to a French contractor with respect to a project involving the rehabilitation of jetties and crude oil loading facilities in Iran. The services were provided between 1989 and 1995.

Special Note Regarding Forward-Looking Statements

4. *Please advise us why you believe you are entitled to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. We note that at the time this Form 10 was filed you were not subject to the reporting requirements of Section 13(a) or Section 15(d) of the Exchange Act.*

In response to the Staff's comment, we have revised the disclosure in the Special Note to remove the reference to Section 21E of the Exchange Act.

Business, page 1

5. *We note that the registration statement includes disclosures regarding the industry and your relative competitive position. For example, refer to the second paragraph of page two. Please provide us documentation that supports these disclosures. In providing support, clearly mark the location of the information you believe is supportive of the statement referenced.*

We have supplementally provided the requested documentation to the Staff under separate cover.

6. *We note you include financial and statistical data for as of September 30, 2006. Please update this disclosure to as of December 31, 2006.*

In response to the Staff's comment, we have updated the financial and statistical data in this section to as of December 31, 2006 where we believe it is appropriate.

Risk Factors, page 15

7. *For the first two risk factors, please revise the disclosure to describe any material examples of the risk occurring in the last two years.*

We do not believe that there have been any material examples of the specified risks occurring in the past two years. However, we continue to believe that these two risk factors highlight material risks to our business that, if they were to occur, may harm our business, and have therefore retained this disclosure.

We conduct a portion of our operations through joint ventures..., page 16

8. *To the extent material, please quantify in the disclosure the extent of your operations that are conducted through joint ventures that you do not control.*

In response to the Staff's comment, we have revised the disclosure on page 18 of the Amendment to quantify the extent of our operations that are conducted through unconsolidated joint ventures, which we do not control.

Selected Consolidated Financial Data, page 22

9. *Reference is made to your disclosure of cash and cash equivalents, excluding cash in consolidated joint ventures as a non-GAAP measure. Tell us how you have complied with the disclosure requirements of Item 10(e) of Regulation S-K.*

In response to the Staff's comment, we have revised the disclosure on page 25 of the Amendment from the non-GAAP measure of cash and cash equivalents, excluding cash in consolidated joint ventures to the GAAP measure of cash and cash equivalents.

Management's Discussion and Analysis of Financial Condition and Results of Operations, page 23

Components of Income and Expense, page 23

10. *We note management uses two non-GAAP measures, net service revenues and separate recognition of compensation expense associated with stock matches, to analyze the results of operations. Yet you have also provided a non-GAAP calculation of gross profit. Please substantially revise your disclosure to clearly state what non-GAAP measures you are presenting and provide all relevant disclosures required by Item 10(e) of Regulation S-K. In this regard, provide a statement disclosing the reasons why management believes that non-GAAP gross profit provides useful information to investors and the purposes for which management uses this measure. In addition, you should avoid titles that are the same or confusingly similar to GAAP financial measures and include a reconciliation to the most comparable measure in accordance with GAAP. Note that your reference to footnote 19 would not be sufficient.*

In response to the Staff's comment, we have revised the disclosure on pages 26 through 29 of the Amendment as requested to clarify our use of non-GAAP measures.

Amended and Restated Credit Agreement, page 38

11. *Please briefly describe the financial covenants of the credit agreement and your senior notes.*

In response to the Staff's comment, we have revised the disclosure on pages 50 and 51 of the Amendment as requested to describe the financial covenants of our credit agreement and senior notes.

Quarterly Results of Operations, page 41

12. *Please advise us your basis for presenting consolidated quarterly information on a basis other than GAAP or revise accordingly.*

In response to the Staff's comment, we have revised the disclosure on pages 47 and 48 of the Amendment as requested to present the GAAP measure of gross profit.

Subsequent Events, page 44

13. *Please disclose the cost of the HSMM acquisition.*

The purchase price for HSMM was not disclosed as the Company believes it is not material, i.e., less than 3% of the Company's total assets at December 31, 2006, before adding HSMM assets. Based on our recent telephonic discussion of this comment with the Staff, we have deleted the disclosure of the HSMM acquisition as a subsequent event.

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14. *Please update the disclosure regarding the SEEIP loans.*

In response to the Staff's comment, we have revised the disclosure on page 54 of the Amendment to reflect the repayment and termination of all outstanding SEEIP loans as of February 20, 2007.

Security Ownership..., page 45

15. *Please disclose the natural persons that control the voting and dispositive powers of the shares held by GSO Capital Partners.*

In response to the Staff's comment, we have revised the disclosure on page 56 of the Amendment as requested to identify the natural persons that control the shares held by GSO Capital Partners.

16. *Please revise footnote (4) to clarify whether the number of shares of common stock held by U.S. Trust Company includes shares issuable upon conversion of the Convertible Preferred Stock. If not, please tell us why you have omitted the underlying shares from the table.*

We have revised the disclosure on page 56 of the Amendment to clarify that the number of shares of common stock held by U.S. Trust Company does not include shares issuable upon conversion of the Convertible Preferred Stock because the shares of Convertible Preferred Stock held by U.S. Trust are listed in a separate column.

Executive Compensation, page 54

Overview, page 54

17. *We note your description of the impact on compensation if your financial performance improves relative to the performance targets. Please describe the impact on each type of compensation to the extent the company's financial performance fails to satisfy the performance targets. Please address how failures may impact the determination of future performance targets.*

In response to the Staff's comment, we have revised the disclosure on page 64 of the Amendment to describe the impact of the Company's failure to meet performance targets.

18. *Please disclose your policy for adjusting compensation to the extent the calculations used to compute performance measurement targets are later restated.*

We do not have a policy requiring a fixed course of action under these circumstances and have therefore revised the disclosure on page 65 of the Amendment to clarify this point.

Elements of Compensation, page 55

19. *Please disclose why the board modified the 2005PEP and 2006PEP as described in the third paragraph on page 57.*

In response to the Staff's comment, we have revised the disclosure on page 66 of the Amendment to indicate why the Board modified the 2005PEP and 2006PEP.

20. *Please disclose why the board provided a one-time 100% acceleration of vesting of employee options as described in the first paragraph on page 58.*

In response to the Staff's comment, we have revised the disclosure on page 67 of the Amendment to indicate why the Board provided a one-time 100% acceleration of vesting of employee options.

Summary Compensation Table..., page 61

21. *Refer to footnote 2. Please confirm to us that any amounts accrued but not paid in 2006 have been included in the table.*

We confirm that any amounts accrued but not paid in fiscal 2006 have been included in the table.

Grants of Plan-based Awards for Fiscal Year 2006, page 63

22. *Please tell us the purpose of the last column in this table. In addition, please disclose the methodology for determining the exercise or base price of options awards and the methodology for determining the grant date fair market value disclosed in the last column. Refer to Instruction 3 to Item 402(d) of Regulation S-K.*

We believe the last column in the Grants of Plan-based Awards for Fiscal Year 2006 table to be required by Item 402(d)(2)(viii) of Regulation S-K. As required by this item, the column reports the grant date fair value of the stock and option awards granted to the Named Executive Officers in fiscal year 2006.

We have also revised the disclosure on page 72 of the Amendment as requested to include the methodologies reflected in this column.

Non-Qualified Deferred Compensation for Fiscal Year 2006, page 68

23. *Please provide a footnote quantifying the extent to which amounts reported in the earnings column have been reported as compensation in the summary compensation table. Refer to the instruction to Item 402(i)(2).*

In response to the Staff's comment, we have revised the disclosure as requested by adding the following language to footnote 3 to the table on page 77 of the Amendment: "The values in this column are not represented in the Summary Compensation Table."

Market Price of and Dividends On the Registrant's Common Equity and Related Stockholder Matters, page 76

24. *We note that you have publicly disclosed that you expect to conduct an initial public offering in the second or third quarter of calendar 2007. Please include similar disclosure, within the provisions of Rule 135 of the Securities Act, regarding your plans to create a trading market for your shares.*

In response to the Staff's comment, we have revised the disclosure on page 85 of the Amendment as requested to include plans to pursue an initial public offering for our shares.

Recent Sales of Unregistered Securities, page 77

25. *For each sale, please disclose the date of the sale and the number of securities sold on that date. Also, please disclose the type and amount of consideration paid in each sale. For securities issued in connection with the acquisition of a company, please clarify whether the consideration received was securities of the acquired company. Please identify each privately-held company referenced in this section.*

Based on our recent telephonic discussion with the Staff, we understand that the first two sentences of this comment pertain to the transactions in (i) — (v) of our disclosure. Other than option grants referenced in clause (ii), these transactions predominantly relate to employee share purchases pursuant to bi-weekly payroll deductions under our 401(k) plan sales and non tax-qualified stock purchase plan deferrals in the United States and global stock plan purchases outside the United States. We believe these sales were exempt under Rule 701. Given the volume of these transactions, it would be impracticable to list the details of all such transactions.

We note that the transactions in clauses (xiii) — (xvi) of our disclosure in this section relate to share purchases by employees of one of our subsidiaries and are similarly exempt under Rule 701 of the Securities Act, but were inadvertently listed as shares received in an acquisition. As a result, we have deleted such disclosure on page 87 of the Amendment.

With regard to the third sentence of this comment, we have revised the disclosure on page 88 of the Amendment to indicate the transactions involved the issuance of our securities in exchange for the acquired company's securities.

With regard to the last sentence of this comment, we understand the purpose of the disclosure is to identify any registration issues under the 1933 Act, including potential integration issues, as well as so-called "cheap stock" issues. We do not believe that

identifying the M&A target would advance those purposes and, in virtually all of these situations, we are subject to confidentiality obligations. We therefore have not added this disclosure.

26. *With respect to private placements relying on Regulation D, please provide additional information regarding the number and types of purchasers.*

The sales described in items (viii) — (x) of the disclosure were made in reliance upon Regulation D. Regarding such sales:

A. Item (viii): This transaction involved the sale of our common stock to three individual shareholders of a privately held company in connection with our acquisition of the company.

B. Item (ix): This transaction involved the sale of convertible preferred stock to two institutional investors.

C. Item (x): This transaction involved the sale of convertible preferred stock to three institutional investors.

Description of Registrant's Securities to be Registered, page 79

27. *Please disclose the terms of the stock repurchase plan. Provide a detailed description of how the stock price is determined.*

In response to the Staff's comment, we have revised the disclosure on pages 88 and 89 of the Amendment as requested with respect to the terms of the stock repurchase plan.

Convertible Preferred Stock, page 80

28. *Please provide a more detailed explanation of how the dividend rate on your preferred stock is determined.*

In response to the Staff's comment, we have revised the disclosure on page 89 of the Amendment to provide a more detailed explanation of the determination of the dividend rate.

Financial Statements and Notes

Consolidated Statements of Income, page F-4

29. *We note that you have included equity in earnings of joint ventures within operating income. Please advise how your presentation complies with Rule 5-03 of Regulation S-X.*

The Company sometimes forms joint ventures with other companies in our industry that possess complimentary skills or market presence in order to pursue specific business opportunities or projects. As disclosed in Footnote 8 to our financial statements for the year ended September 30, 2006:

"The ownership percentage is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. … The majority of the Company's unconsolidated joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's own employees perform work for the joint venture, which is then billed to a third-party customer by the joint venture. These joint ventures function as pass through entities to bill the third-party customer. The Company includes the services performed for

these joint ventures, and the costs associated with these services, in the Company's results of operations. In certain joint ventures where a fee is added by the joint venture to client billings, the Company's portion of that fee is recorded in equity in earnings of joint ventures.

The Company also has unconsolidated joint ventures that have their own employees and operating expenses and to which the Company generally makes a capital contribution. These joint ventures generally provide operations and maintenance services for governmental facilities. The Company accounts for these joint ventures using the equity method."

The amount of fee that is added by a joint venture generally is dependent solely on the joint venture's terms, and does not in substance represent earnings from efforts other than the engineering services that we provide. Our participation in these joint ventures is an integral part of the way we operate, deploy resources, and generate profits. We believe that presentation outside of "Income from Operations" would be potentially misleading and not representative of the economic basis under which these joint ventures are formed.

Rule 5-03 of Regulation S-X, par. 13, states that, "If justified by the circumstances, [equity in earnings of unconsolidated entities] may be presented in a different position and in a different manner" and not as listed in the Rule outside of operating income. Such presentation is consistent with other registrants in our peer group.

Note 15—Stockholders' Equity, page F-27

30. Please explain to us how you considered the guidance in SFAS 133 and EITF 00-19 in determining the accounting for the conversion features of your Convertible Preferred Stock.

The rights conveyed in our employee-owned Convertible Preferred Stock are intended to provide our employees the ability to purchase an equity instrument with a fixed rate of return. Consistent with footnote 16 of our consolidated financial statements, holders of our Convertible Preferred Stock may convert some or all of the shares of Convertible Preferred Stock into shares of the Company's Common Stock. However, the terms of these shares do not contain provisions that would require treatment as an embedded derivative. In determining the appropriate accounting treatment for these instruments, we considered SFAS 133, paragraph 11(a) and EITF 00-19, specifically paragraphs 12-32, noting the following:

- **The number of shares issuable upon conversion is not unlimited.**
- **The Company has a sufficient amount of shares currently authorized and unissued, or available to settle a potential conversion of the maximum limit of 2,500,000 shares of Convertible Preferred Stock.**
- **The Company may settle the conversion in unregistered shares.**
- **The Company is not required to make cash payments upon failure to timely file SEC filings.**
- **There are no requirements to make cash payments to the shareholder subsequent to settlement that would constitute a "make whole" provision.**

- **There is no requirement in the contract to post collateral.**

- **No derivative-type contingency provisions, indexes to outside markets, or other similar terms exist.**

Based on the above, we concluded that our Convertible Preferred Stock does not contain terms that would require derivative or liability accounting.

Note 24—Subsequent Events, page F-33

31. *Please quantify the purchase price for your acquisitions subsequent to year end. To the extent any are material, advise us how you have complied with Rule 3-05 of Regulation S-X.*

Subsequent to our fiscal year ended September 30, 2006, we completed the acquisitions of six businesses, with an aggregate purchase price for all six transactions of approximately $100 million, or 6% of our September 30, 2006 total assets. Upon testing the significance of the Company's investments in these acquired businesses, total assets, and pretax income from continuing operations, we determined that they did not rise to a level of

materiality, either individually or in the aggregate, that would require separate audited financial statements under the requirements of Rule 3-05 of Regulation S-X.

In addition, the Company acknowledges that:

i. the Company is responsible for the adequacy and accuracy of the disclosure in the filing;

ii. Staff comments or changes to disclosure in response to Staff comments do not foreclose the Commission from taking any action with respect to the filing; and

iii. the Company may not assert Staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Please contact the undersigned at (213) 593-8719, or Jonathan K. Layne of Gibson, Dunn & Crutcher LLP at (310) 552-8641, with any questions or comments you may have regarding this letter or the registration statement.

Very truly yours,

/s/ ERIC CHEN

Eric Chen
Senior Vice President, Finance and General Counsel

cc: Mr. Michael McTiernan, United States Securities and Exchange Commission
John M. Dionisio, AECOM Technology Corporation
Jonathan K. Layne, Gibson, Dunn & Crutcher LLP