

**Clough Limited**  
**ASX Preliminary final report**  
**for the year ended 30 June 2007**

# Clough Limited

## ASX Preliminary final report - 30 June 2007

Lodged with the ASX under listing Rule 4.3A

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**For the year ended 30 June 2007**  
**(Previous corresponding period: Year ended 30 June 2006)**

**Results for Announcement to the Market**

				\$'000
<b>Revenue</b> from ordinary activities * <i>(Appendix 4E item 2.1)</i>	down	10%	to	579,656
<b>Loss</b> from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>		- %	to	(105,260)
<b>Net loss</b> for the period attributable to members <i>(Appendix 4E item 2.3)</i>		- %	to	(105,260)
<b>Dividends / distributions</b> <i>(Appendix 4E item 2.4)</i>	Amount per security		Franked amount per security	
Final dividend		-		-
Interim dividend		-		-

**Record date** for determining entitlements to the interim dividend  
*(Appendix 4E item 2.5)*

N/A
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\* Excludes share of revenue from jointly controlled entities and associates.

**Clough Limited**  
**Income statement**  
For the year ended 30 June 2007

		<b>Consolidated</b>	
	Notes	2007 \$'000	2006 \$'000
<b>Revenue</b>	3	<b>579,656</b>	641,140
Other income	4	<b>6,024</b>	12,659
Materials, plant and subcontractor costs		<b>(449,620)</b>	(488,105)
Labour costs		<b>(160,982)</b>	(141,746)
Other expenses		<b>(62,799)</b>	(49,826)
Depreciation and amortisation expense	5	<b>(17,547)</b>	(15,123)
Finance costs	5	<b>(11,130)</b>	(6,431)
Share of net profits of associates and jointly controlled entities accounted for using the equity method		<b>17,438</b>	36,715
<b>Loss before income tax</b>		<b>(98,960)</b>	(10,717)
Income tax expense	6	<b>(4,959)</b>	(2,624)
<b>Loss for the year</b>		<b>(103,919)</b>	(13,341)
Profit attributable to minority interest		<b>(1,341)</b>	(1,736)
<b>Loss attributable to members of Clough Limited</b>		<b>(105,260)</b>	(15,077)
		<b>Cents</b>	Cents
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share	13	<b>(20.63)</b>	(3.02)
Diluted loss per share	13	<b>(20.63)</b>	(3.02)

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

**Clough Limited**  
**Balance sheet**  
**As at 30 June 2007**

	Notes	Consolidated 2007 \$'000	2006 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		82,947	53,636
Receivables		137,439	192,418
Work in progress		116,622	145,439
Derivative financial instruments		<u>1,530</u>	<u>286</u>
		<b>338,538</b>	<b>391,779</b>
Non-current assets classified as held for sale		<u>12,579</u>	<u>-</u>
Total current assets		<u><b>351,117</b></u>	<u><b>391,779</b></u>
<b>Non-current assets</b>			
Receivables		711	11,455
Available-for-sale financial assets		1,789	11,279
Investments accounted for using the equity method		26,965	44,257
Other non-current assets		7,281	7,617
Property, plant and equipment		85,312	84,335
Intangible assets - computer software		4,206	5,713
Deferred tax assets		<u>18,604</u>	<u>16,429</u>
Total non-current assets		<u><b>144,868</b></u>	<u><b>181,085</b></u>
<b>Total assets</b>		<u><b>495,985</b></u>	<u><b>572,864</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables		153,940	219,285
Amounts due to customers for contract work		76,538	12,902
Interest bearing liabilities		106,883	73,719
Current tax liabilities		1,806	506
Provisions		14,940	15,342
Derivative financial instruments		<u>843</u>	<u>-</u>
Total current liabilities		<u><b>354,950</b></u>	<u><b>321,754</b></u>
<b>Non-current liabilities</b>			
Payables		4,346	15,515
Interest bearing liabilities		55,596	40,357
Non interest bearing liabilities		13,854	-
Deferred tax liabilities		230	248
Provisions		<u>3,599</u>	<u>7,308</u>
Total non-current liabilities		<u><b>77,625</b></u>	<u><b>63,428</b></u>
<b>Total liabilities</b>		<u><b>432,575</b></u>	<u><b>385,182</b></u>
<b>Net assets</b>		<u><b>63,410</b></u>	<u><b>187,682</b></u>
<b>EQUITY</b>			
Contributed equity	7	130,232	130,232
Reserves	8(a)	(18,570)	(1,493)
Retained profits/(accumulated losses)	8(b)	<u>(66,880)</u>	<u>38,506</u>
Parent entity interest		44,782	167,245
Minority interest		<u>18,628</u>	<u>20,437</u>
<b>Total equity</b>		<u><b>63,410</b></u>	<u><b>187,682</b></u>

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

**Clough Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2007**

	Notes	Consolidated	
		2007 \$'000	2006 \$'000
<b>Total equity at the beginning of the financial year</b>		<u>187,682</u>	175,439
Adjustment on adoption of AASB 132 and AASB 139, net of tax, to:			
Reserves	8	-	1,059
<b>Restated total equity at the beginning of the financial year</b>		<u>187,682</u>	<u>176,498</u>
Changes in the fair value of available-for-sale financial assets, net of tax		(2,942)	2,731
Changes in fair value of cash flow hedges, net of tax		281	(965)
Exchange differences on translation of foreign entities		<u>(17,696)</u>	<u>5,500</u>
<b>Net income/(loss) recognised directly in equity</b>		<u>(20,357)</u>	<u>7,266</u>
<b>Loss for the year</b>		<u>(103,919)</u>	<u>(13,341)</u>
<b>Total recognised income and expense for the year</b>		<u>(124,276)</u>	<u>(6,075)</u>
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs	7	-	14,720
Employee share options	8	112	111
Convertible note premium reserve, net of tax	8	453	-
Increase/(decrease) in retained profits due to change in interest in controlled entity	8	(126)	404
Total changes in minority interest		(435)	2,992
Dividends paid to minority interests in subsidiaries		-	(968)
		<u>4</u>	<u>17,259</u>
<b>Total equity at the end of the financial year</b>		<u>63,410</u>	<u>187,682</u>
Total recognised income and expense for the year is attributable to:			
Members of Clough Limited		(122,902)	(8,268)
Minority interest		<u>(1,374)</u>	<u>2,193</u>
		<u>(124,276)</u>	<u>(6,075)</u>

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

**Clough Limited**  
**Cash flow statement**  
For the year ended 30 June 2007

		<b>Consolidated</b>	
		<b>2007</b>	<b>2006</b>
Notes		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
	Receipts from customers (inclusive of goods and services tax)	634,905	651,586
	Payments to suppliers and employees (inclusive of goods and services tax)	<u>(660,025)</u>	<u>(710,279)</u>
		(25,120)	(58,693)
	Interest received	2,265	1,225
	Dividends and distributions received from equity accounted entities	28,707	9,253
	Dividends received from other persons	-	88
	Interest paid	(12,894)	(6,431)
	Income taxes paid	<u>(5,852)</u>	<u>(5,850)</u>
	<b>Net cash outflow from operating activities</b>	<u>12 (12,894)</u>	<u>(60,408)</u>
<b>Cash flows from investing activities</b>			
	Payment for purchase of subsidiary, net of cash acquired	(550)	280
	Payments for property, plant and equipment	(19,850)	(22,631)
	Payments for intangible assets - computer software	(38)	(3,614)
	Payments for available-for-sale financial assets	(1,760)	(1,000)
	Payments for investments in equity accounted entities	(6,736)	(6,672)
	Loans (to)/from equity accounted entities	657	(1,832)
	Loans to other persons	(2,845)	(95)
	Proceeds from sale of property, plant and equipment	3,629	8,575
	Proceeds from sale of available-for-sale financial assets	1,138	8,998
	Proceeds from sale of investments in equity accounted entities	16,000	14,354
	Proceeds from partial sale of interest in listed subsidiary	-	467
	Proceeds from disposal of subsidiary, net of cash disposed	<u>3,221</u>	<u>-</u>
	<b>Net cash outflow from investing activities</b>	<u>(7,134)</u>	<u>(3,170)</u>
<b>Cash flows from financing activities</b>			
	Proceeds from issue of shares	-	15,000
	Share issue costs	-	(280)
	Proceeds from convertible note issue	39,248	-
	Convertible note issue costs	(637)	-
	Payments to minorities for shares bought back by listed subsidiary	(649)	(918)
	Proceeds from borrowings	43,889	58,348
	Repayment of borrowings	(27,730)	(20,548)
	Dividends paid to minority interests in subsidiaries	-	(968)
	<b>Net cash inflow from financing activities</b>	<u>54,121</u>	<u>50,634</u>
	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>34,093</b>	<b>(12,944)</b>
	Cash and cash equivalents at the beginning of the financial year	53,636	64,908
	Effects of exchange rate changes on cash and cash equivalents	<u>(4,782)</u>	<u>1,672</u>
	<b>Cash and cash equivalents at end of year</b>	<u><b>82,947</b></u>	<u><b>53,636</b></u>

The above cash flow statement should be read in conjunction with the accompanying notes.

## **1 Basis of preparation of preliminary financial report**

This preliminary financial report has been prepared in accordance with the Australian Stock Exchange Listing rules as they relate to Appendix 4E and in accordance with the measurement requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2007 and with any public announcements made by Clough Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

The audit report, which was unqualified, will be made available with the Company's financial report.

The accounting policies adopted are consistent with those disclosed in the annual financial report for the year ended 30 June 2006.

## **2 Segment information**

### **(a) Description of segments**

#### **Business segments**

The consolidated entity comprises the following main business segments:

##### *Oil & Gas*

Provides both onshore and offshore turnkey services including complex design, procurement, construction, commissioning, operations and maintenance. Onshore capabilities incorporate processing facilities, pipelines, refineries and petrochemical plants. Offshore activities include installations in deep or shallow water and marginal fields ranging from moorings, flowlines, subsea systems and offshore platforms.

##### *Minerals and Infrastructure*

Provides engineering, construction, procurement, operations and maintenance services. Includes infrastructure capabilities in water, power, pipelines, transport, harbour works, buildings, waste management facilities and mine infrastructure. Other services and capabilities provided include contract mining, ore preparation, materials handling systems, process plant and equipment hire capabilities.

##### *Property*

Includes property development from residential land subdivision to commercial buildings.

##### *Other*

Includes costs for continuing businesses, net of other income and unallocated costs, assets and liabilities.

#### **Geographical segments**

The group operates in the main geographical areas of Australia and Asia.

## 2 Segment information (continued)

### (b) Primary reporting format - business segments

2007	Oil & Gas	Minerals & Infrastructure	Property	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	338,764	192,463	32,194	-	563,421
Share of net profits of associates and jointly controlled entities	6,334	10,838	266	-	17,438
Other revenue/income	9,131	9,767	1,716	1,645	22,259
<b>Total segment revenue/income</b>	<b>354,229</b>	<b>213,068</b>	<b>34,176</b>	<b>1,645</b>	<b>603,118</b>
Segment result	(110,767)	16,419	1,447	(6,059)	(98,960)
Segment assets	159,888	162,812	105,760	67,525	495,985
Segment liabilities	170,618	69,324	59,879	132,754	432,575
Investments in associates and jointly controlled entities	18,413	4,332	4,220	-	26,965
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	3,859	26,809	-	1,342	32,010
Depreciation and amortisation expense	3,073	12,204	9	2,261	17,547
Other non-cash expenses	31,527	291	3,641	-	35,459
2006	Oil & Gas	Minerals & Infrastructure	Property	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	416,344	203,515	12,266	-	632,125
Share of net profits of associates and jointly controlled entities	9,225	13,244	13,855	391	36,715
Other revenue/income	8,361	3,036	7,500	2,777	21,674
<b>Total segment revenue/income</b>	<b>433,930</b>	<b>219,795</b>	<b>33,621</b>	<b>3,168</b>	<b>690,514</b>
Segment result	(48,603)	25,656	15,425	(3,195)	(10,717)
Segment assets	261,672	163,739	93,571	53,882	572,864
Segment liabilities	189,636	57,345	37,453	100,748	385,182
Investments in associates and jointly controlled entities	14,191	12,996	17,070	-	44,257
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	6,192	30,973	36	4,917	42,118
Depreciation and amortisation expense	2,980	9,975	10	2,158	15,123
Other non-cash expenses	12,230	74	-	711	13,015

### (c) Secondary reporting format - geographical segments

	Segment revenues from sales to external customers		Segment assets		Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australia	177,796	102,096	256,037	227,712	3,768	7,701
Asia	231,748	500,888	226,429	341,340	28,059	34,395
New Zealand	110,589	12,266	12,381	1,841	-	-
Other countries	43,288	16,875	1,138	1,971	183	22
	<b>563,421</b>	<b>632,125</b>	<b>495,985</b>	<b>572,864</b>	<b>32,010</b>	<b>42,118</b>

### 3 Revenue

	Consolidated	
	2007 \$'000	2006 \$'000
<i>Sales revenue</i>		
Construction projects	531,227	619,859
Property development	<u>32,194</u>	<u>12,266</u>
	<u>563,421</u>	<u>632,125</u>
<i>Other revenue</i>		
Rents	608	5
Interest income	2,265	1,225
Dividends	-	88
Other revenue	<u>13,362</u>	<u>7,697</u>
	<u>16,235</u>	<u>9,015</u>
	<u>579,656</u>	<u>641,140</u>

### 4 Other income

	Consolidated	
	2007 \$'000	2006 \$'000
Net gain on disposal of property, plant and equipment	864	2,655
Net gain on disposal of other non-current assets	1,533	8,685
Net gain on disposal of controlled entities	2,860	-
Foreign exchange gains (net)	-	771
Other income	<u>767</u>	<u>548</u>
	<u>6,024</u>	<u>12,659</u>

## 5 Expenses

**Consolidated**  
**2007**                      2006  
**\$'000**                      \$'000

**Profit/(loss) before income tax includes the following specific expenses:**

*Depreciation*

Plant and equipment	10,265	10,729
Freehold and leasehold land and buildings	254	135
Total depreciation	10,519	10,864

*Amortisation*

Plant and equipment under finance leases	5,483	3,154
Computer software	1,545	1,105
Total amortisation	7,028	4,259

*Write down of investments to recoverable amount*

Impairment of investment classified as held for sale	3,641	-
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*Finance costs*

Interest and finance charges paid/payable	13,091	6,840
Amount capitalised	(1,961)	(409)
Finance costs expensed	11,130	6,431

*Rental expense relating to operating leases*

Minimum lease payments	26,686	16,456
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*Foreign exchange losses (net gain in 2006 - see note 4)*

Net foreign exchange losses	1,332	-
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*Write off of assets*

Trade receivables	32,533	-
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## 6 Income tax expense

**Consolidated**  
**2007**                      2006  
**\$'000**                      \$'000

**(a) Income tax expense**

Current tax	6,862	6,294
Deferred tax	(2,283)	(3,655)
Under (over) provided in prior years	380	(15)
	4,959	2,624

Deferred income tax (revenue) expense included in income tax expense comprises:

Increase in deferred tax assets	(2,175)	(3,749)
(Decrease) increase in deferred tax liabilities	(108)	94
	(2,283)	(3,655)

## 6 Income tax expense (continued)

**Consolidated**  
**2007**                      2006  
**\$'000**                      \$'000

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss before income tax expense	<u>(98,960)</u>	(10,717)
Tax at the Australian tax rate of 30% (2006 - 30%)	<u>(29,688)</u>	(3,215)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Accounting profit on sale	(1,021)	(2,770)
Capital gain on sale	-	640
Dividends from share buy back	-	4,912
Profits from incorporated equity accounted investments	(1,399)	(7,429)
Exchange loss translation adjustment	-	1,468
Other sundry items	<u>(235)</u>	<u>(248)</u>
	<b>(32,343)</b>	<b>(6,642)</b>
Difference in overseas tax rates including withholding tax on foreign revenue	214	405
Under (over) provision in prior years	380	(15)
Deferred tax asset not recognised arising from tax losses	20,982	7,118
Overseas profits not taxable due to carried forward tax losses	(221)	-
Deferred tax asset not recognised arising from temporary differences	15,947	1,200
Deferred tax assets/liabilities previously not recognised now brought into account	-	558
Total income tax expense	<u>4,959</u>	<u>2,624</u>

## 7 Contributed equity

	Parent		Parent	
	2007	2006	2007	2006
	Shares	Shares	\$'000	\$'000

### (a) Share capital

Ordinary shares				
Fully paid	<u>510,232,225</u>	510,232,225	<u>130,232</u>	130,232

Date	Details	Number of shares	Issue price	\$'000
1 July 2005	Opening balance	480,232,225		115,512
11 November 2005	Shares issued to Murray & Roberts, net of issue costs	<u>30,000,000</u>	\$0.50	<u>14,720</u>
30 June 2006	Balance	<u>510,232,225</u>		<u>130,232</u>
1 July 2006	Opening balance	<u>510,232,225</u>		<u>130,232</u>
30 June 2007	Balance	<u>510,232,225</u>		<u>130,232</u>

## 8 Reserves and retained profits/(accumulated losses)

	Consolidated	
	2007 \$'000	2006 \$'000
<b>(a) Reserves</b>		
Available-for-sale investments revaluation reserve	(251)	2,625
Convertible note premium reserve	453	-
Hedging reserve - cash flow hedges	481	200
Share-based payments reserve	237	125
Foreign currency translation reserve	(20,210)	(5,163)
Capital reserve	720	720
	<u>(18,570)</u>	<u>(1,493)</u>

### Movements:

<i>Available-for-sale investments revaluation reserve</i>		
Balance 1 July	2,625	-
Adjustment on adoption of AASB 132 and AASB 139, net of tax	-	(106)
Revaluation - gross	(2,843)	2,655
Deferred tax	-	(30)
Transfer to net profit - gross	(63)	151
Deferred tax	30	(45)
Balance 30 June	<u>(251)</u>	<u>2,625</u>

### Movements:

<i>Convertible note premium reserve</i>		
Issue of convertible notes on 15 December 2006	563	-
Deferred tax	(110)	-
Balance 30 June	<u>453</u>	<u>-</u>

### Movements:

<i>Hedging reserve - cash flow hedges</i>		
Balance 1 July	200	-
Adjustment on adoption of AASB 132 and AASB 139, net of tax	-	1,165
Revaluation - gross	687	286
Deferred tax	(206)	(86)
Transfer to asset - gross	(286)	(1,664)
Deferred tax	86	499
Balance 30 June	<u>481</u>	<u>200</u>

### Movements:

<i>Share-based payments reserve</i>		
Balance 1 July	125	14
Option expense	112	111
Balance 30 June	<u>237</u>	<u>125</u>

## 8 Reserves and retained profits/(accumulated losses) (continued)

	Consolidated	
	2007 \$'000	2006 \$'000
<b>Movements:</b>		
<i>Foreign currency translation reserve</i>		
Balance 1 July	(5,163)	(10,206)
Currency translation differences arising during the year	<u>(15,047)</u>	<u>5,043</u>
Balance 30 June	<u>(20,210)</u>	<u>(5,163)</u>

### (b) Retained profits/(accumulated losses)

Movements in retained profits/(accumulated losses) were as follows:

	Consolidated	
	2007 \$'000	2006 \$'000
Balance 1 July	38,506	53,179
Net loss for the year	(105,260)	(15,077)
Increase/(decrease) in retained profits arising from transactions with minority interests	<u>(126)</u>	<u>404</u>
Balance 30 June	<u>(66,880)</u>	<u>38,506</u>

#### (i) Available-for-sale investments revaluation reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve. Amounts are recognised in profit and loss when the associated assets are sold or impaired.

#### (ii) Convertible note premium reserve

The convertible note premium reserve is used to record the equity conversion component of the convertible notes issued on 15 December 2006 and the associated deferred tax liability.

#### (iii) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

#### (iv) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

#### (v) Foreign currency translation reserve

Exchange differences arising on translation of foreign entities are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment in a foreign entity is disposed of.

## 9 Dividends

No dividends were paid or declared during the year or subsequent to the year end (2006: Nil).

## 10 Contingencies

### (a) Contingent liabilities

#### Claims

Certain claims arising out of engineering and construction contracts have been made by or against certain controlled entities in the ordinary course of business, some of which involved litigation or arbitration. At this stage it is not possible to reliably estimate the maximum exposures under these claims.

On the BassGas contract, Origin and its joint venture partners have claimed approximately \$250m which is subject to the ongoing arbitration process commenced in 2005. The Directors consider the provisions taken on the BassGas contract adequately deal with the expected outcome from the current arbitration process. On G1, ONGC have proposed to claim the completion costs of the G1 contract. The Directors regard this as a spurious claim given ONGC's failure to provide critical path deliverables required under the contract.

The Directors do not consider the outcome of these claims outside of G1 and BassGas will have any material adverse affect on the financial position of the consolidated entity.

## 11 Events occurring after the balance sheet date

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in periods subsequent to the year ended 30 June 2007, apart from the matter noted below.

The Company announced on 12 July 2007 its intention to recapitalise the business. The funding structure has now been finalised and will comprise a fully underwritten renounceable rights issue at 36.8 cents per share to raise \$39.4 million and a placement to Murray & Roberts at 36.8 cents per share to raise \$5.6 million. The Company has also agreed a \$25 million debt facility and a \$160 million loan guarantee facility both provided by Murray & Roberts. The recapitalisation will allow the Company to deal with the cash flow issues arising from the BassGas and G1 disputes and provide the necessary support for the capital expenditure programme announced by the Company in February 2007. Additionally the Company announced its intention to complete the disposal of non-core assets, the details of which are being worked through.

## 12 Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated	
	2007	2006
	\$'000	\$'000
Loss for the year	(103,919)	(13,341)
Depreciation and amortisation	17,547	15,123
Write off of trade receivables	32,533	-
Non-cash employee benefits expense - share-based payments	112	111
Net gain on disposal of property, plant and equipment	(864)	(2,655)
Net gain on sale of other non-current assets	(1,533)	(8,685)
Net gain on disposal of controlled entities	(2,860)	-
Impairment of non-current asset classified as held for sale	3,641	-
Difference between equity accounted profits of associates and jointly controlled entities and dividends or distributions received	11,129	(27,461)
Net exchange differences and other non-cash items	(7,760)	4,931
Change in operating assets and liabilities, net of effects from sale of controlled entities		
Decrease (increase) in receivables	26,227	(10,465)
Decrease (increase) in work in progress	28,171	(88,655)
Decrease (increase) in deferred tax assets	(2,175)	(3,418)
Decrease (increase) in other assets	(212)	(4,703)
Increase (decrease) in payables	(74,605)	82,161
Increase (decrease) in amounts due to customers for contract work	63,636	(4,827)
Increase (decrease) in provision for income taxes payable	1,300	(37)
Increase (decrease) in deferred tax liabilities	(18)	229
Increase (decrease) in other provisions	(3,244)	1,284
Net cash outflow from operating activities	<u>(12,894)</u>	<u>(60,408)</u>

**13 Loss per share**

	<b>Consolidated</b>	
	<b>2007</b>	2006
	<b>Cents</b>	Cents
<b>(a) Basic loss per share</b>		
Loss attributable to the ordinary equity holders of the Company	<b>(20.63)</b>	(3.02)
<b>(b) Diluted loss per share</b>		
Loss attributable to the ordinary equity holders of the Company	<b>(20.63)</b>	(3.02)
<b>(c) Reconciliations of loss used in calculating loss per share</b>		
	<b>Consolidated</b>	
	<b>2007</b>	2006
	<b>\$'000</b>	\$'000
<i>Basic and diluted loss per share</i>		
Loss for the year	<b>(103,919)</b>	(13,341)
Profit attributable to minority interests	<b>(1,341)</b>	(1,736)
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	<b>(105,260)</b>	(15,077)
<b>(d) Weighted average number of shares used as the denominator</b>		
	<b>Consolidated</b>	
	<b>2007</b>	2006
	<b>Number</b>	Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share</i>	<b>510,232,225</b>	499,218,526

**Clough Limited**  
**Supplementary Appendix 4E information**

**Additional dividend information**

Details of dividends declared or paid during or subsequent to the year ended 30 June 2007 are as follows:

	Final	0.0 cents	\$ -	0.0 cents	-
	Interim	0.0 cents	\$ -	0.0 cents	-

**Dividend reinvestment plans**

The Company has implemented a dividend reinvestment plan. This enables shareholders to reinvest all or part of their dividends in additional shares.

The last date for the receipt of an election notice for participation in the dividend/distribution reinvestment plan is - N/A.

**NTA Backing**

	<b>2007</b>	2006
Net tangible asset backing per ordinary share (cents)	<b>5.13</b>	29.56

**Controlled entities acquired or disposed of**

<b>Disposed of</b>	Asia Offshore Services Pte Ltd
Date control lost	26 April 2007
Contribution to profit after tax in current period, where material	Not material
Profit after tax during the whole of the previous corresponding period, where material	Not material

**Associates and Jointly Controlled Entities**

Name	Ownership interest	
	2007 %	2006 %
Airlie Beach Joint Venture	100	50
Aker Clough Joint Venture	50	50
Aker Kvaerner Clough Murray & Roberts Joint Venture	19.5	19.5
Al Bilad S&B Clough, Ltd	50	50
Asia Offshore Services Pte Ltd	50	100
Baulderstone Clough Joint Venture	50	50
Clough Aker Joint Venture	50	50
Clough Amec Joint Venture – CoP	50	50
Clough Amec Joint Venture - WEL	50	50
Clough Amec Pty Ltd	50	50
Clough Demol Joint Venture	80	80
Clough Downer Joint Venture	50	50
Clough Lucas Joint Venture	-	50
Clough Lucas (Bundeena) Joint Venture	80	80
Clough Murray & Roberts Joint Venture	50	50
Clough Seymour Whyte Joint Venture	50	50
Clough Seymour Whyte Joint Venture – Lake Cowal	50	50
Clough Sino-Thai Co Ltd	50	50
Elclough Pty Ltd	50	50
Harbourworks Clough Contracting Pty Ltd	51	51
Harbourworks Clough Joint Venture	50	50
Henry Walker Eltin – Clough Joint Venture	50	50
Kellogg Joint Venture – Train 4	-	17.5

**Clough Limited**  
**Supplementary Appendix 4E information**

**Associates and Jointly Controlled Entities (continued)**

Kellogg Joint Venture - Gorgon	20	20
Kvaerner Clough Joint Venture	33.3	33.3
Mashhor Clough Sdn Bhd	50	50
Mermaid Clough Pty Ltd	50	50
Mernda (Lot 6) Joint Venture	50	50
Moltoni Clough (No. 2) Joint Venture	50	50
Nambeelup Joint Venture	50	50
Petrosea Calibre Roberts & Schaeffer Joint Operation	33.3	33.3
PT LOR Indonesia Joint Operation (formerly PT Petrosea Tbk – PT Barclay Mowlem Indonesia Joint Operation)	50	50
PT Santan Batubara	50	50
PT Tirta Kencana Cahaya Mandiri	47	47
PTSC Clough Joint Venture	-	50
Rapley Clough Joint Venture	50	50
Shedden Uhde Pty Ltd	50	50
Sonsub Clough Partnership	-	50
St Quentin's Claremont Pty Ltd	50	-
St Quentin's Claremont Unit Trust	50	-
Tom's Gully Mining Pty Ltd	50	50
Yunderup Joint Venture	-	50

The contribution to net profit/(loss) from the above associates and jointly controlled entities was \$17,438,000 (2006: \$36,715,000)

**Annual Meeting**

The Annual General Meeting will be held at 12 pm on Friday 23 November 2007 at the Perth Parmelia Hilton Hotel. The Annual Report will be available in October 2007.



**Andrew John Walsh**  
Director

**27 August 2007**

**Supplementary Information**  
**For the year ended 30 June 2007**

**Group Turnover**

A significant proportion of the Clough Group's operations are performed through jointly controlled entities.

The Clough Group operates through two types of jointly controlled entities:

**Unincorporated Joint Ventures**

- these are unincorporated arrangements
- the share of profits or losses are equity accounted in the income statement

**Joint Venture Entities**

- these are incorporated arrangements such as jointly held companies and associate companies
- the share of profits or losses are equity accounted in the income statement

The Clough Group's turnover is made up of revenue and its share of revenue from jointly controlled entities and associated companies.

	<b>2007</b>	2006
	<b>\$'000</b>	\$'000
<b>CONSOLIDATED GROUP TURNOVER</b>		
Construction projects	<b>563,421</b>	632,125
Other revenue	<b>16,235</b>	9,015
<b>Revenue</b>	<b>579,656</b>	641,140
<b>Share of revenue from jointly controlled entities and associates</b>	<b>181,567</b>	280,826
	<b><u>761,223</u></b>	<u>921,966</u>