



"Intelligent Engineering & Construction"

Clough Limited
2005 FULL YEAR RESULTS

~

David Singleton

August 2005

- Key Points
- Financial Performance Summary
- Strategy Update
- Business Updates
- Outlook



- **Loss of \$59.6 million**
 - **In line with previous guidance**
 - **Due to EPC issues (primarily BassGas)**
- **BassGas – Prudently provided for**
 - **Arbitration continuing – Hearing mid 2006**
 - **Issued \$110+ million detailed claim to BassGas JV**
- **Growing contribution from Services, Petrosea, Property**
- **Work in Hand increased to more than \$850 million - 110% increase**
- **Services transformational contracts – future growth driver (Saudi Aramco, Greater Gorgon, Bayu-Undan, Woodside ISC)**
- **Shark Bay Salt sold, Mermaid Marine shares sold (July 05)**
- **Safety performance in top quartile for Australian contractors**

Issues

- Profit and cash flow impacted by BassGas
- Strong order intake
- Petrosea, Property and Services in line with expectations



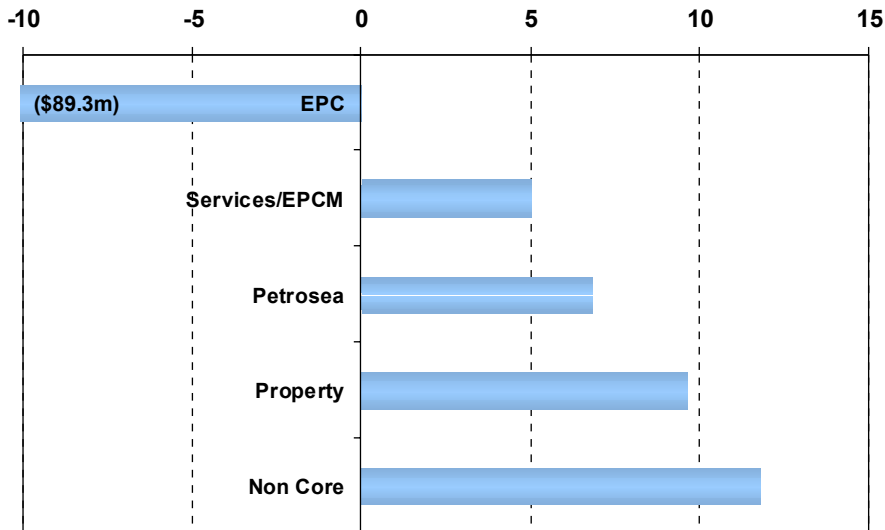
12 MONTHS TO 30 JUNE 2005

| | 2005 | 2004 |
|-----------------------------|----------------|--------|
| | \$M | \$M |
| Net Profit (Loss) after tax | (59.6) | 16.2 |
| Group Turnover | 654.9 | 832.3 |
| Net Operating Cash Flows | (75.1) | (53.2) |
| Net Cash / (Debt) | 7.7 | 41.8 |
| Net Tangible Assets | 172.5 | 200.0 |
| Order Intake - New orders | 1,079.7 | 328.0 |

Results by Line of Business

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Earnings (\$ Millions)



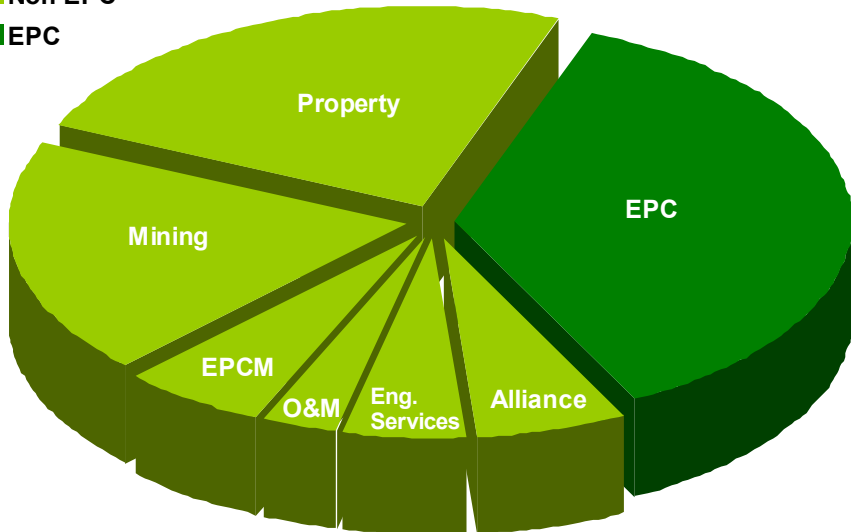
1. **Grow the business so that 50% of our activity is from lower risk contracts or business lines.**
2. Focus on long-term sustainable, differentiated lines of business in which Clough can develop a core expertise.
3. Establish strong, regional, integrated businesses to deploy our skills into relevant and growing markets.
4. Leverage value from our relationship with Murray & Roberts.
5. Develop a highly skilled and motivated workforce united in achieving the goals of the company.
6. Instil into the organisation an approach to business improvement specifically aimed at on-time performance in everything we do.
7. Deliver the current order book to time, cost and specification.

Progress Towards Lower Risk Strategy

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■ Non EPC

■ EPC

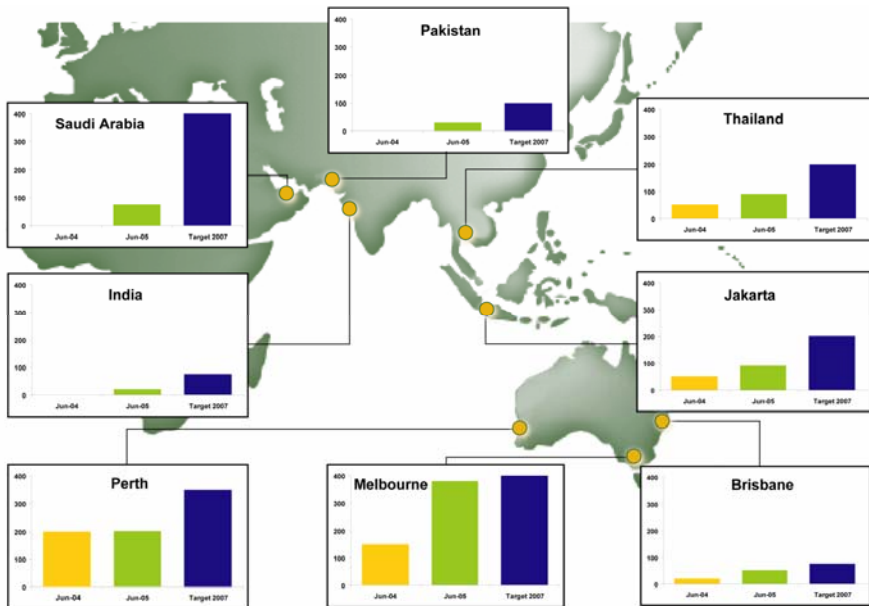


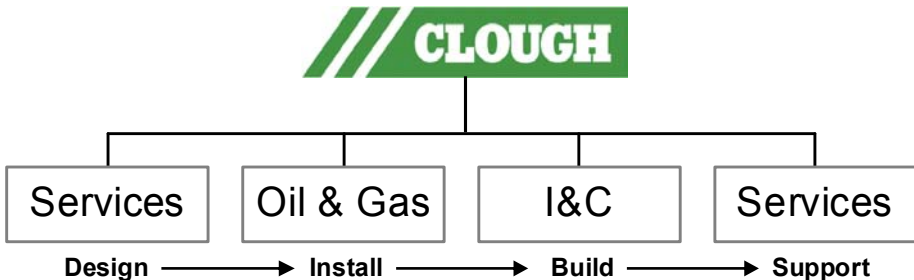
Order book by risk category – EPC earnings inferred at 5%

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Regional Engineering Headcount

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- **Region wide growth for new contracts in engineering services – Shedden, Perth, Pakistan, Saudi Arabia, Jakarta**
- **Installation activities enhanced with new vessels and capital upgrades**
- **EPC less significant but major IT systems and processes investment underway**
- **Asset Management services growing rapidly, ConocoPhillips and selection by Woodside**



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Business Updates

Clough AMEC Joint Venture



- A three year Integrated Services contract, commencing 1 January 2006
- Contract signing due Sept 2005
- Operate and maintain Oil Assets including:
 - Laminaria – Corallina
 - Wanaea Cossack
 - Legendre
 - Enfield (new 2006)
- Oil production 60 MMbbls p.a.



Bayu Undan - Operations & Maintenance



ConocoPhillips

Clough AMEC Joint Venture



- Contract now fully underway
- Major offshore facility shutdown completed successfully
- Growth opportunities

Saudi Aramco – In-Kingdom Project Management Services

- **Current projects underway**
 - **2 Desulphurisation plant capacity upgrades**
 - **Initial FEED for new Gas Oil Separation Plant**
- **Current projects, value US\$20 million plus**
- **Manning levels growing**
 - **June 2005 - 60 people**
 - **Dec 2005 - 150 people (planned)**
- **Opportunities for negotiated construction work**
- **Meeting Saudisation targets**



أرامكو السعودية
Saudi Aramco



Saudi Aramco Project Design Centre, Al Khobar

- **Panna and G1**
 - **Engineering & commodity price rises impacting profitability**
- **“Normand Clipper” deepwater construction vessel, long term charter delivered by G1**
 - **Access to growing subsea installation market**
 - **New capital equipment – flexible pipe handling**
- **Kerisi with Petrosea**
 - **Pipelay underway and on schedule**
- **“Java Constructor” capital equipment upgrade**
 - **Automatic welding system – improving productivity**
- **Subsea intervention and diving joint venture formed**
 - **New dive support vessel and deep diving equipment - Covus**



“Normand Clipper” specialist deepwater construction vessel



Java Constructor – Mid water arch installation



Alcan Gove Modules, Thailand

Clough Sino-Thai

- Established fabrication and assembly facility with deepwater port
- Clough now offers in-country design, fabrication and installation capability.
- Build on previous experience
- Alcan Gove Modules Project – 40/173 modules delivered weighing 11,400 tonnes from a total 34,000 tonnes.

Petrosea – Improved Profit & Order Book



- Improved profit and ahead of plan
- Order book at record levels
 - approx \$225 million
- Current operations
 - GBP, BBE, KPC, Freeport
 - New mining contract under negotiation
 - Tom's Gully gold mine (Northern Territory) - equity participation in JV with Renison Consolidated Mines NL
 - Oil & Gas – Kerisi, BP APN
 - Cikokol Water Treatment - owner/operator
- Capital spend \$19.3 million, a further \$10 million committed (project backed)
- Growth outlook positive – as predicted
- Share price doubled since 2004



BBE Pit Coal Mining, Kalimantan



APN/MM Development, Indonesia

- **Growth portfolio**
 - **Two years ago, Clough Property managed \$153 million***
 - **Today, Clough Property manages \$620 million***
- **New project offices established in Melbourne & Brisbane**
- **Profit - \$9.4 million**



Proposed Claremont Shopping Centre, Western Australia



Multi MBA award winning - Raytheon Warehouse, Western Australia

*Figures based on end sales value

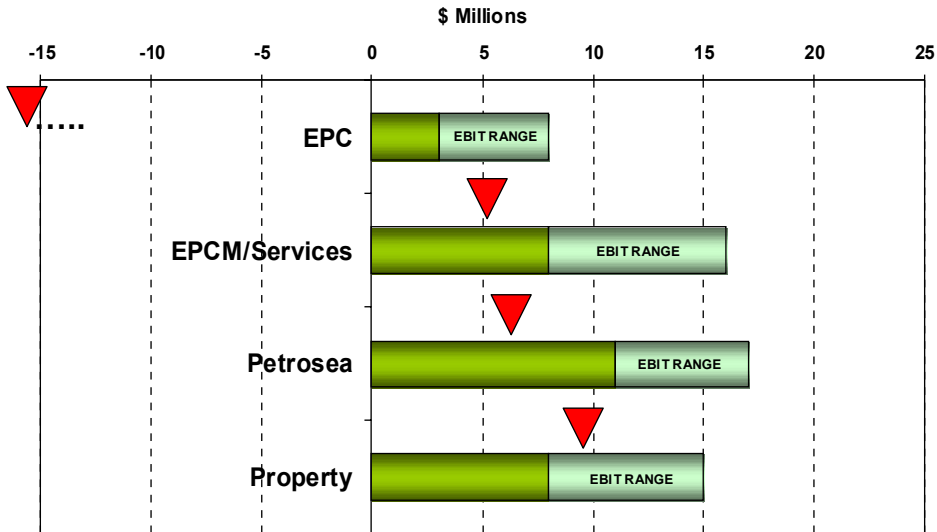


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Outlook

Profit 3 Year Outlook

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▼ 04/05 Actual

- **2 years into 5 year plan to rebuild Clough the Company is making progress on several fronts**
- **BassGas – working towards resolution through arbitration**
- **Services meeting growth targets**
 - **Murray & Roberts enhancing Clough delivery**
 - **Transformational new contracts delivering growth**
 - **Major worldwide recruitment underway**
- **Petrosea - Indonesian outlook strong**
- **Property sustained earnings**



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Issues

- Cash
 - Impacted by BassGas
 - Improved in second half



| | June 2005 \$M | June 2004 \$M |
|------------------------------|---------------------|---------------------|
| Fixed Assets and investments | 127.1 | 121.5 |
| Working Capital | 70.9 | 71.5 |
| Provisions | (20.6) | (22.0) |
| Net Assets (excl. cash) | <u>177.4</u> | <u>171.0</u> |
| Net Cash | 7.7 | 41.8 |
| Net Assets | <u>185.1</u> | <u>212.8</u> |
| Minority Interests | (16.3) | (17.7) |
| Shareholder Funds | <u>168.8</u> | <u>195.1</u> |