



"Intelligent Engineering & Construction"

# 2006 Interim Financial Result

## Investor Presentation

- **Key Points**
- **Financial Performance Summary**
- **Business Update**
- **Outlook**



- **Loss of \$16.7 million includes:**
  - **\$26 million contract loss provision on projects in India – variations not yet agreed with clients**
  - **\$12.7 million profit from Services (\$2.6 million), Petrosea (\$7.3 million) and Property (\$2.8 million) in line with business plan and ahead of the same period last year**
- **Cash**
  - **Holdings reduced by \$19 million – repayment of contract advances**
  - **Equity injection from Murray & Roberts (\$15 million)**
  - **Increased borrowings includes investment in Property & Mining equipment funded through third party financing (\$18 million)**
- **Murray & Roberts Strategic Alliance strengthened through transaction approval and inaugural contract – Boddington Gold Mine**
- **Work in Hand at \$840 million**
- **Safety performance maintained in top quartile for Australian contractors**

6 MONTHS TO 31 DEC 2005	2005	2004 *
	\$M	\$M
Net Profit (Loss) after tax	(16.7)	(40.0)
Group Turnover	426.0	257.1
Cash Holdings	41.3	70.7 **
Debt	110.9	63.0 **
Net Tangible Assets	168.9	162.8 **
New orders – Order Intake	413.0	827.0
Order Book	840.0	851.0

\*Figures adjusted due to AIFRS

\*\* 6 months to June 05

## Key Points

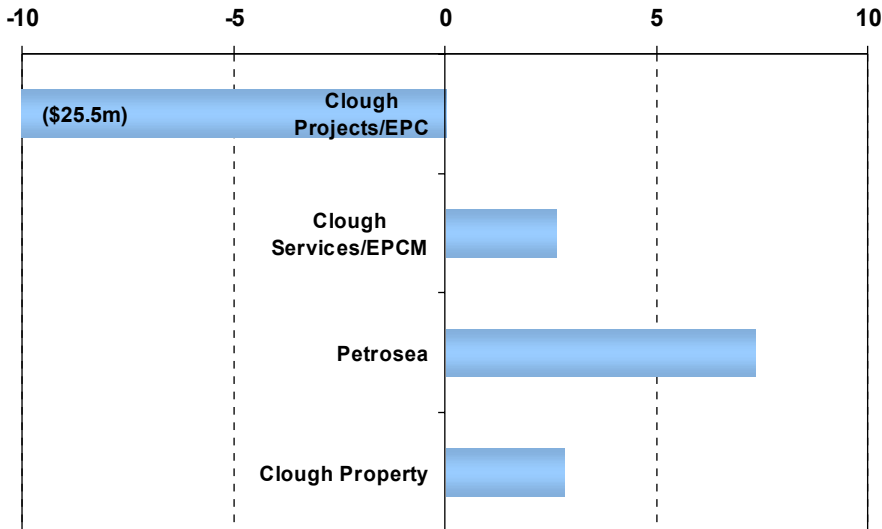
- Profit and cash flow impacted by Indian contracts
- Strong order intake
- Petrosea, Property and Services in line with expectations



# Results by Line of Business

**CLOUGH**

## Earnings Before Interest & Tax (\$ Millions)

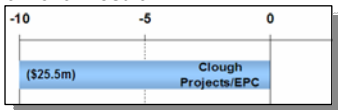




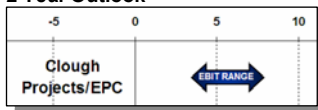
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# Business Updates

## 6 Month Result



## 2 Year Outlook

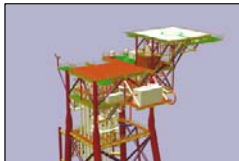


## Highlights

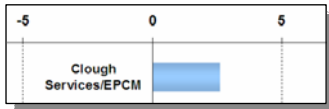
- **Apache Subsea Recovery (Feb 06 - \$80m+)**
  - Rates contract 2-3 years
- **Maari Wellhead Platform – LOI (\$170m)**
  - Differentiated by self installing concept
  - Improved contract terms
- **Woodside Angel – LOI (\$25m)**
  - Unique and proven construction technique
- **Woodside LNG Jetty Extension (\$50m)**
  - JV with Interbeton, Netherlands
- **Kalgoorlie Reservoir – LOI**
  - Alliance contract with KBR for Water Corporation
- **Hegigio Pipe Bridge completed**
- **Bunbury Loadout Jetty project completed**
- **Sale of Clough's diving company, Covus to GEO ASA in progress**



- **Projects impacted by unprecedented commodity price increases, resource availability and extended supplier delivery dates**
- **Panna work scope will be completed this financial year**
- **G1 schedule delay agreed with client – Second campaign planned for 2007**
- **Associated claims (time and cost) prepared and will be progressed with our clients**



## 6 Month Result



## 2 Year Outlook

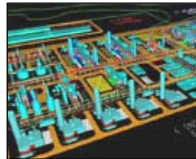


## Highlights

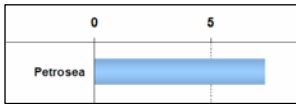
- Boddington Gold Mine
  - Subject to FID (March 2006)
  - Inaugural contract for Clough Murray & Roberts
- Woodside ISC confirmed and commenced
- Saudi office growing
  - Staff levels 120 after 12 months
  - 200,000 manhours awarded, half now completed
  - GOSP FEED, 2 x sulphur recovery units, glycol upgrade
- Pakistan office @ 65 staff

## Outlook

- Saudi growth
- Gorgon FID expected in Q3 2006 – EPCM
- New minerals opportunity under negotiation



## 6 Month Result



## 2 Year Outlook



## Highlights

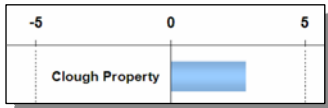
- Sanga Mining (\$130m)
- Santos Maleo Offshore Installation – LOI (\$20m)
- Petrosea share price above 6,500 Rp (Market Capitalisation: A\$95 million)
- Tom's Gully commenced mining ore
- Resolved one EPC claim
- Completed offshore oil & gas projects – CP Kerisi, BP APN and Kodeco KE40

## Outlook

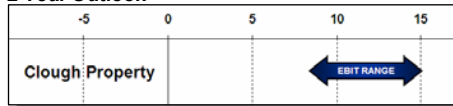
- Supply base expansion for oil & gas in Kalimantan
- Growth outlook remains positive



## 6 Month Result



## 2 Year Outlook



## Highlights

- New projects acquired in fastest growing region of Australia – Mandurah
- Conditional approval received for Claremont development
- RCJV in Karratha performing above expectations

## Outlook

- Prior year profit levels expected to be maintained
- WA property market continues to perform





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# Outlook

- **Operating profit forecast to be positive across the Group**
  - **Builds on underlying first half profit**
- **Cash flow planned to be positive across the Group**
- **Indian project claims and contract negotiations to be filed and progressed**
- **Additional \$350 million in contracts at LOI or awarded post reporting period**

- **Halfway into 5 year plan to transform Clough - making progress on several fronts**
- **Business profitable in second half**
- **EPC business remains challenging**
  - **Indian contracts under renegotiations**
  - **Improved terms on new contracts**
- **Services meeting growth targets**
  - **Transformational new contracts in place and delivering growth**
  - **Major worldwide recruitment underway**
- **Petrosea growing - Indonesian outlook strong**
- **Strong order intake in first 6 months – increase in second half**
- **Property will sustain earning levels in 2005/2006**
- **Clough Murray & Roberts transaction approved - Boddington award, inaugural contract**



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