ASX/MEDIA RELEASE

18 February 2013

Clough Half Year Results

Highlights[1]:

- Statutory net profit after tax (NPAT) from continuing operations[2] $43.2 million, up 139%
- Basic earnings per share from continuing operations 5.6 cents, up 137%
- Total revenue from Clough operations[3] $660.3 million, up 42%
- Underlying earnings before interest and tax (EBIT) from Clough operations[3] $38.0 million, up 196%
- Net assets $373.9 million with cash holdings of $177.4 million
- Order book at record levels at $2.5 billion, up 34%

Engineering and project services company Clough Limited (ASX:CLO) today announced statutory NPAT from continuing operations of $43.2 million for the half year ended 31 December 2012, a 139% increase on the prior half year. NPAT including discontinued operations increased by 270% to $43.2 million benefiting from the growth in earnings from continued operations and a break even result in the current period from discontinued operations.

Total revenue from Clough operations (excluding Forge) was $660.3 million, up 42%, and underlying EBIT from Clough operations (excluding Forge) was $38 million, up 196%. EBIT margin increased to 5.8%, compared to 2.8% for the previous corresponding period.

Clough's CEO and Managing Director Kevin Gallagher said "This encouraging result has been supported by a group wide focus on improved performance. Company initiatives focussed on delivering excellence in project execution, cost efficiency and enhanced productivity have started to improve the business, providing a strong foundation for growth in the coming year".

Operational Performance:

Clough's safety performance continued to be Australian industry leading. Lost time injury frequency rates per million work hours decreased by 55% to 0.08 while total recordable injury frequency rates per million work hours decreased by 30% to 2.02.

New contracts and contract extensions awarded during the period, together with the reassessment of the value of existing contracts, increased the order book to $2.5 billion. As at 31 December 2012 the order book was 77% cost reimbursable and 94% leveraged to the LNG sector.

The company worked on more than 20 major energy and resources contracts across Australia and Papua New Guinea, including key LNG contracts for Chevron's Gorgon and Wheatstone projects, INPEX's Ichthys, Santos' Gladstone and QGC's Queensland Curtis.

---

[1] The Appendix to this release provides a full reconciliation to the Consolidated Statement of Comprehensive Income in the interim financial report, and an explanation of all non-IFRS financial information. All % movements are against the previous corresponding period (H1 2011/12) unless otherwise stated.
[2] Includes share of Forge net profit after income tax.
[3] Clough business divisions excluding Forge revenue and EBIT.

All Clough businesses recorded EBIT growth during the half with Engineering up 56% to $33.8 million, Projects up 82% to $24.5 million, and Commissioning and Asset Support up 350% to $4.4 million, compared to the previous corresponding period.

Forge continued its strong performance with its total revenue for the half year increasing to $503 million with Clough's share of NPAT at $12.2 million.

Strategy & Outlook:

Clough secured revenue for FY13 increased to $1.37 billion, with $1.0 billion of revenue already secured for FY14. For both FY13 and FY14 Clough expects to deliver a minimum EBIT margin of 5.5%, with a longer term EBIT margin target of 7%[3].

Commenting on the company outlook, Kevin Gallagher said "The outlook for Clough has never been stronger. We have a record order book and a strong tender pipeline which features a number of good quality, near term opportunities across all of our businesses. Our strong balance sheet and cash position provides the flexibility to pursue growth options in the coming year.

"The acquisition of leading commissioning contractor e2o in January aligns with our growth strategy for our Commissioning and Asset Support business and will augment Clough's existing project services with highly specialised and independent commissioning services.

"Clough will continue to focus on driving enhanced productivity and improved project delivery for our clients, while building capability and capacity in a controlled and orderly manner, to leverage future opportunities and deliver long term, sustainable returns for our shareholders".

Ends

For further information, please contact:

Kristy McGrath, Marketing & Communications Manager +61 8 9281 9344

Appendix 1 – Half Year Profit and Loss

Reportable Segments from 1 July 2012	HY 2012/13 Revenue $M	HY 2012/13 $M		HY 2011/12 Restated* Revenue $M	HY 2011/12 Restated* $M	
Engineering	235.2	33.8	14.4%	159.5	21.6	13.6%
Projects	355.6	24.5	6.9%	258.2	13.5	5.2%
Commissioning and Asset Support	58.6	4.4	7.5%	27.5	1.0	3.6%
Fabrication	10.9	(2.9)	(26.3%)	20.5	0.3	1.5%
Corporate Overheads and Other		(21.9)			(23.6)	
Total Revenue Clough operations (1)	**660.3**			**465.7**		
Underlying EBIT Clough operations (2)		**38.0**	**5.8%**		**12.8**	**2.8%**
Forge - share of profit before income tax		17.6			9.9	
Forge - share of income tax		(5.4)			(3.0)	
Forge - share of net profit after income tax (NPAT)		12.2			6.9	
Net interest income		2.8			0.9	
Adjusting items (3)		-			(2.6)	
Share of jointly controlled entities income tax		(0.8)			0.1	
Statutory – Profit before income tax		**52.2**			**18.1**	
Income tax expense		(9.0)			-	
Net profit after income tax continuing operations		**43.2**			**18.1**	
One off gain on sale of Marine Construction business		-			6.7	
Discontinued operations and non-controlling interests		-			(13.1)	
Loss from discontinued operations (including non-controlling interests)		-			(6.4)	
Statutory – Profit for the half year attributable to Clough shareholders		**43.2**			**11.7**	

* Restated to reflect the new business divisions which were effective from 1 July 2012.

Non-IFRS Financial information

Clough Limited's consolidated financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS earnings and other financial information which are not prepared in accordance with IFRS and therefore are considered to be non-IFRS financial information. The non-IFRS financial information should only be considered in addition to and not as a substitute for, earnings and other financial information prepared in accordance with IFRS.

1) Total revenue from Clough operations is a non-IFRS revenue measure that includes both revenue from Clough controlled entities and Clough's share of revenue from jointly controlled operations. Clough undertakes many projects through joint ventures, and this measure is viewed by the Directors and management as the one which most accurately reflects the underlying level of trading activity within the business. This measure does not include any share of revenue of Forge Group Limited (Forge). The measure is used as an additional means to evaluate Clough's performance, and is reflected in the segment note in the financial statements for Clough operations.

2) Underlying EBIT from Clough operations is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to underlying EBIT presented by other companies. Underlying EBIT represents earnings before interest, income taxes and adjusting items (refer (3) below) for both Clough and jointly controlled operations but does not include any share of earnings from Forge. The measure is used as an additional means to evaluate Clough's performance and is viewed by the Directors and management as that which most accurately reflects the underlying trading performance of the business. It is also reflected in the segment note in the financial statements for Clough's operations.

3) Adjusting items in the view of Directors and management are non-recurring items which distort the underlying earnings of the business and should therefore be excluded from underlying performance.

About Clough

Clough is an engineering and project services contractor servicing the Energy & Chemical and Mining & Mineral markets in Australia and Papua New Guinea. Our services range from early concept evaluation and feasibility studies through design, construction, commissioning and long term asset support and optimisation.

Backed by an experienced management team, over 5000 personnel and sophisticated project management systems, Clough is recognised for a commitment to safety, sustainable development and the wellbeing of the people, communities and environments in which it operates.

www.clough.com.au

APPENDIX 4D

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

(PREVIOUS CORRESPONDING PERIOD: HALF-YEAR ENDED 31 DECEMBER 2011)

CLOUGH LIMITED ABN 59 008 678 813

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$'000
Total revenue from continuing operations including share of revenue from jointly controlled entities	up	41.8%	to	660,288
Revenue from ordinary activities ^	up	48.8%	to	271,792
Profit before income tax from continuing operations	up	187.9%	to	52,211
Profit/(loss) from ordinary activities after tax attributable to members	up	270.0%	to	43,175
Net profit/(loss) for the period attributable to members	up	270.0%	to	43,175

Dividends	**Amount per security**	**Franked amount per security**
Interim dividend	0.0 ¢	0.0 ¢
Previous corresponding period	0.0 ¢	0.0 ¢
Record date for determining entitlements to the interim dividend	N/A	

^ Excludes revenue from discontinued operations.

Refer to the attached ASX/Media Release and interim financial report for further information on the results for the half-year ended 31 December 2012.

Dividends

No dividend is payable for the current period.

Amount per security		Amount per security	Franked amount per security at 30% tax rate	Amount per security of foreign source dividend
Interim dividend:	Current period	- ¢	- ¢	- ¢
	Previous period	- ¢	- ¢	- ¢
Final dividend:	Current period	2.6¢	0.65¢	- ¢
	Previous period	2.2¢	1.00¢	- ¢

Dividend Plans

The Company has suspended the dividend reinvestment plan.

Net Tangible Assets per Security	**31 December 2012**	31 December 2011
Net tangible asset backing per ordinary security	**43.73¢**	36.05¢

Interests in entities which are not controlled entities

Equity accounted associates and jointly controlled entities	Percentage of ownership interest held **31 December 2012 %**	31 December 2011 %
Aker Kvaerner Clough Murray & Roberts Joint Venture	-	19.5
Al Bilad S&B Clough, Ltd	50	50
BAM Clough Contracting Pty Ltd	51	51
BAM Clough Joint Venture	50	50
BAM Clough (PNG) Joint Venture	50	50
Baulderstone Clough Joint Venture	50	50
CBI Clough Joint Venture	35	35
CBI Clough JV Pte Ltd	35	35
CDJV Construction Pty Ltd	50	50
Clough AMEC Joint Venture – CoP	50	50
Clough AMEC Pty Ltd	50	50
Clough AMEC Beca Ltd	33.33	33.33
Clough AMEC Sea Pte Ltd	50	50
Clough Curtain Joint Venture	65	65
Clough Diversified Joint Venture	50	50
Clough Diversified Northern Pipeline Joint Venture	-	50
Clough Diversified United Joint Venture	33.33	33.33
Clough DORIS Joint Venture	50	50
Clough Downer Joint Venture - K128	50	50
Clough Forge Pty Ltd	50	50
Clough Murray & Roberts Joint Venture	50	50
Clough Sandwell Joint Venture	-	50
Clough Seymour Whyte Joint Venture – Lake Cowal	50	50
Downer Clough Joint Venture - NAAN3	50	50
Forge Group Limited	35.85	33.13
Henry Walker Eltin - Clough Joint Venture	50	50

Equity accounted associates and jointly controlled entities	**Percentage of ownership interest held**	
	31 December 2012 %	31 December 2011 %
JTC Joint Venture - Arrow	-	10
Kellogg Joint Venture - Gorgon	20	20
Kvaerner Clough Joint Venture	-	33.33
Maretlink Joint Venture	-	33.33
Mashhor Clough Sdn Bhd	50	50
Petrosea Clough Joint Operation	50	50
St Quentin's Claremont Pty Ltd	50	50
St Quentin's Claremont Unit Trust	50	50
Streicher Clough Joint Venture	50	50
Transfield Services Clough Joint Venture	50	-

The contribution to net profit/(loss) from the above associates and jointly controlled entities was $43,680,000 (2011 : $30,061,000).

K. T. Gallagher

KEVIN GALLAGHER
Chief Executive Officer

15 February 2013

Clough Limited

ABN 59 008 678 813

Interim financial report for the half-year ended 31 December 2012

Clough Limited ABN 59 008 678 813

DIRECTORS' REPORT

The Directors of Clough Limited [ABN 59 008 678 813] present the consolidated financial statements of the Clough Group, the consolidated entity, for the half-year ended 31 December 2012 and in accordance with a resolution of the Directors' report as follows:

1. DIRECTORS

The Directors of Clough Limited at the date of this report are:

Director	Qualifications	Main Duties
AJ Bester	BCom (Acc)(Hons), CA(SA)	Director
DI Crawford	BCom (Economics)(Hons), MA (Political Science), FAICD	Director
KT Gallagher	BEng (Mechanical)(Hons), FIEAust	Chief Executive Officer & Managing Director
IW Henstock	BCompt (Hons), CA(SA), HDip Tax Law, MBA	Director
HJ Laas	BEng (Mining), MBA	Director
NE Siford	BSc (Geography)(Hons), ACA	Chief Financial Officer & Executive Director
K Spence	BSc (Geophysics)(Hons), FAIM	Chairman
ER Stein	BSc (Physics)(Hons), MBA, FAICD	Director

All Directors held office during the whole of the half-year and up to the date of this report.

2. REVIEW OF OPERATIONS AND DEVELOPMENTS

Total revenue from continuing operations (including a share of revenue from jointly controlled entities) for the half-year ended 31 December 2012 of $660.3 million (2011: $465.7 million) was significantly ahead of the comparative period as a result of increased project activity. The majority of revenue was earned through Clough's jointly controlled entities. The statutory revenue from continuing operations was $271.8 million (2011: $182.6 million).

The net profit after interest and taxation from continuing operations was $43.2 million (2011: $18.1 million) and was significantly higher than the comparative period due to increased project activity and an increased focus on execution and cost efficiency.

The net profit attributable to members of Clough Limited for the half-year was $43.2 million (2011: $11.7 million) with the Property business (discontinued operation) recording a loss after tax of $0.3 million and Petrosea (discontinued operation) recording a gain of $0.3 million on the settlement of a claim made by Indika.

On 31 January 2013, Clough announced that it had acquired e2o, a leading Australian commissioning and completions contractor servicing the energy and resources sector. The acquisition includes an initial payment of $9 million on completion, deferred payments of $2 million and further amounts payable up to a maximum of $3 million over a three-year period subject to meeting certain performance criteria.

Further details on the results for the half-year ended 31 December 2012 are included in the accompanying Media Release and Investor Presentation.

DIRECTORS' REPORT (Continued)

3. AUDITOR INDEPENDENCE

A copy of the auditors' independence declaration required under section 307C of the Corporations Act 2001 is set out on page 4.

4. ROUNDING OF AMOUNTS

Clough Limited is a company of the kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the "rounding" of amounts in the Directors' Report and Financial Report. All amounts have been rounded to the nearest thousand dollars, unless otherwise stated.

For and on behalf of the Board
PERTH
15 February 2013

K.T. Gallag

Kevin Gallagher
Director

Keith Spence
Director

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (08) 9322 7000
Fax: +61 (08) 9322 7001
www.deloitte.com.au

The Board of Directors
Clough Limited
Level 15
58 Mounts Bay Road
Perth WA 600

15 February 2013

Dear Board Members

Auditor's Independence Declaration to Clough Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Clough Limited.

As lead audit partner for the review of the financial statements of Clough Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R Jerrard
Partner
Chartered Accountant

	Notes	Half-year ended 2012 $'000	2011 $'000
Revenue from continuing operations	3	**271,792**	182,619
Other income		**85**	1,029
Materials, plant and subcontractor costs		**(55,295)**	(48,581)
Labour costs		**(184,894)**	(121,541)
Depreciation and amortisation expense		**(2,026)**	(1,572)
Other expenses		**(21,075)**	(23,842)
Finance costs		**(56)**	(127)
Share of net profits of associates and jointly controlled entities accounted for using the equity method		**43,680**	30,151
Profit before income tax		**52,211**	18,136
Income tax expense		**(8,970)**	(36)
Profit from continuing operations		**43,241**	18,100
Loss from discontinued operations	5	**(66)**	(6,106)
Profit for the half-year		**43,175**	11,994
Other comprehensive income			
Cash flow hedges		**893**	2,065
Exchange differences on translation of foreign operations		**(114)**	7,785
Income tax relating to components of other comprehensive income		**(268)**	(620)
Other comprehensive income for the half-year, net of tax		**511**	9,230
Total comprehensive income for the half-year		**43,686**	21,224
Profit for the half-year is attributable to:			
Owners of Clough Limited		**43,175**	11,670
Non-controlling interests		**-**	324
		43,175	11,994
Total comprehensive income for the half-year is attributable to:			
Owners of Clough Limited		**43,686**	20,900
Non-controlling interests		**-**	324
		43,686	21,224
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent entity:			
Basic earnings per share		**5.58**	2.35
Diluted earnings per share		**5.56**	2.34
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the parent entity:			
Basic earnings per share		**5.57**	1.52
Diluted earnings per share		**5.55**	1.51

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Clough Limited
Consolidated balance sheet
As at 31 December 2012

	Notes	31 December 2012 $'000	30 June 2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**177,413**	146,511
Receivables		**105,342**	97,468
Work in progress		**7,736**	6,523
Derivative financial instruments		**50**	2
		290,541	250,504
Assets classified as held for sale	5	**19,344**	21,998
Total current assets		**309,885**	272,502
Non-current assets			
Receivables		**7,433**	9,686
Investments accounted for using the equity method		**174,404**	157,807
Other non-current assets		**544**	622
Property, plant and equipment		**22,939**	23,305
Intangible assets		**2,197**	1,763
Deferred tax assets		**34,927**	41,341
Total non-current assets		**242,444**	234,524
Total assets		**552,329**	507,026
LIABILITIES			
Current liabilities			
Payables		**86,337**	82,377
Amounts due to customers for contract work		**36,915**	22,482
Current tax liabilities		**15,658**	13,646
Provisions		**19,984**	20,126
Derivative financial instruments		**1,077**	1,758
		159,971	140,389
Liabilities directly associated with assets classified as held for sale	5	**4,557**	4,557
Total current liabilities		**164,528**	144,946
Non-current liabilities			
Payables		**4,913**	5,205
Deferred tax liabilities		**15**	-
Provisions		**8,951**	7,330
Total non-current liabilities		**13,879**	12,535
Total liabilities		**178,407**	157,481
Net assets		**373,922**	349,545
EQUITY			
Contributed equity	4	**232,757**	232,614
Reserves	6(a)	**(6,880)**	(8,092)
Retained earnings	6(b)	**148,045**	125,023
Capital and reserves attributable to owners of Clough Limited		**373,922**	349,545
Total equity		**373,922**	349,545

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

		Attributable to members of Clough Limited											
Consolidated - 2011	Notes	**Contributed equity $'000**	**Convertible note premium reserve $'000**	**Hedging reserve - cash flow hedges $'000**	**Share-based payments reserve $'000**	**Minority buyback reserve $'000**	**Foreign currency translation reserve $'000**	**Capital reserve $'000**	**Total reserves $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance at 1 July 2011		**229,792**	**394**	**(4,034)**	**5,146**	**(7,952)**	**(12,844)**	**720**	**(18,570)**	**99,061**	**310,283**	**318**	**310,601**
Profit for the half-year		-	-	-	-	-	-	-	-	11,670	11,670	324	11,994
Other comprehensive income		-	-	1,445	-	-	7,785	-	9,230	-	9,230	-	9,230
Total comprehensive income for the half-year		-	-	1,445	-	-	7,785	-	9,230	11,670	20,900	324	21,224
Transactions with owners in their capacity as owners:													
Contributions of equity, net of transaction costs	4	1,109	-	-	-	-	-	-	-	-	1,109	-	1,109
Share buyback including transaction costs		(736)	-	-	-	-	-	-	-	-	(736)	-	(736)
Employee share options		-	-	-	265	-	-	-	265	-	265	-	265
Non-controlling interests removed on disposal of a subsidiary		-	-	-	-	-	-	-	-	-	-	(642)	(642)
Dividends provided for or paid	7	-	-	-	-	-	-	-	-	(16,936)	(16,936)	-	(16,936)
		373	-	-	265	-	-	-	265	(16,936)	(16,298)	(642)	(16,940)
Balance at 31 December 2011		**230,165**	**394**	**(2,589)**	**5,411**	**(7,952)**	**(5,059)**	**720**	**(9,075)**	**93,795**	**314,885**	**-**	**314,885**

Clough Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2012
(continued)

		Attributable to members of Clough Limited									
Consolidated - 2012	Notes	**Contributed equity $'000**	**Convertible note premium reserve $'000**	**Hedging reserve - cash flow hedges $'000**	**Share-based payments reserve $'000**	**Minority buyback reserve $'000**	**Foreign currency translation reserve $'000**	**Capital reserve $'000**	**Total reserves $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance at 1 July 2012		**232,614**	**394**	**(1,710)**	**5,868**	**(7,952)**	**(5,412)**	**720**	**(8,092)**	**125,023**	**349,545**
Profit for the half-year		-	-	-	-	-	-	-	-	43,175	43,175
Other comprehensive income		-	-	625	-	-	(114)	-	511	-	511
Total comprehensive income for the half-year		-	-	625	-	-	(114)	-	511	43,175	43,686
Transactions with owners in their capacity as owners:											
Contributions of equity, net of transaction costs	4	143	-	-	-	-	-	-	-	-	143
Employee share options		-	-	-	701	-	-	-	701	-	701
Dividends provided for or paid	7	-	-	-	-	-	-	-	-	(20,153)	(20,153)
		143	-	-	701	-	-	-	701	(20,153)	(19,309)
Balance at 31 December 2012		**232,757**	**394**	**(1,085)**	**6,569**	**(7,952)**	**(5,526)**	**720**	**(6,880)**	**148,045**	**373,922**

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

Clough Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2012

	Note	Half-year ended 2012 $'000	2011 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**280,553**	213,470
Payments to suppliers and employees (inclusive of goods and services tax)		**(256,538)**	(235,794)
		24,015	(22,324)
Dividends and distributions received from equity accounted entities		**27,606**	8,503
Interest received		**1,979**	843
Interest paid		**-**	(1,830)
Income taxes paid		**(388)**	(2,167)
Net cash inflow (outflow) from operating activities		**53,212**	(16,975)
Cash flows from investing activities			
Payments for property, plant and equipment		**(623)**	(4,633)
Payments for intangible assets - computer software		**(792)**	(368)
Contributions provided to equity accounted entities		**-**	(7,977)
Loans provided to equity accounted entities		**(1,065)**	(2,790)
Repayment of loans provided by equity accounted entities		**(28,500)**	(337)
Repayment of advances received from equity accounted entities		**(6,470)**	-
Proceeds from sale of property, plant and equipment		**39**	3,767
Proceeds from disposal of assets classified as held for sale		**4,424**	257
Loans provided by equity accounted entities		**5,054**	25,300
Advances received from equity accounted entities		**22,935**	-
Proceeds from sale of subsidiaries, net of cash disposed of	5	**-**	94,551
Repayment of contributions provided to equity accounted entities		**1,440**	-
Repayment of loans provided to equity accounted entities		**1,571**	-
Net cash (outflow) inflow from investing activities		**(1,987)**	107,770
Cash flows from financing activities			
Proceeds from conversion of options		**143**	209
Shares bought back by Clough Limited		**-**	(736)
Proceeds from borrowings		**-**	5,949
Repayment of borrowings		**-**	(45,191)
Dividends paid	7	**(20,153)**	(16,936)
Net cash outflow from financing activities		**(20,010)**	(56,705)
Net increase in cash and cash equivalents		**31,215**	34,090
Cash and cash equivalents at the beginning of the half-year		**146,511**	90,450
Effects of exchange rate changes on cash and cash equivalents		**(313)**	1,248
Cash and cash equivalents at end of the half-year		**177,413**	125,788

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

(a) Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Clough Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit or loss. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment information

(a) Description of segments

Management has determined the operating segments based on reports reviewed by its chief operating decision maker that are used to make strategic decisions. The chief operating decision maker has been identified as comprising of the Chief Executive Officer, the Chief Financial Officer and the Board of Directors (the CODM).

The CODM considers the business from a Business Division perspective and has identified five reportable segments as detailed below. Discrete financial information about each of these Business Divisions is reported to the CODM on a monthly basis.

Clough has reported new business divisions, which were effective from 1 July 2012, and form its reporting segments in respect of the half-year ended 31 December 2012. The reported segments for the half-year ended 31 December 2011 have been restated to reflect the new business divisions. The new business divisions comprise Engineering, Projects (an aggregation of Capital Projects and Jetties & Near Shore Marine) and Commissioning & Asset Support. The operating results of these business divisions, together with the Fabrication operation in Thailand and Clough's investment in Forge Group Limited, are reviewed regularly by the CODM, and as such are regarded as operating segments. Although the Fabrication operation does not meet the set quantitative thresholds, management considers that information about the segment is useful to users of the financial statements.

Engineering
This comprises concept, FEED, detailed design and EPCM services to the Energy, Chemicals and Mining & Mineral markets primarily in Australia and Papua New Guinea.

The Engineering business has been determined as both an operating segment and a reportable segment.

Projects
This comprises Capital Projects and Jetties & Near Shore Marine businesses that are combined to form the Projects Business Division.

Capital Projects comprises the delivery of project management, engineering, procurement and construction (EPC) services to the Energy, Chemicals and Mining & Mineral markets primarily in Australia and Papua New Guinea.

Jetties & Near Shore Marine comprises an integrated design and construction service for LNG and mineral offloading jetties and other near shore marine structures including loading platforms, dolphin berthing structures and ports.

The Projects business has been determined as both an operating segment and a reportable segment.

Commissioning & Asset Support
This comprises engineering led services to enable the commissioning, engineering, operation, maintenance, shutdown and decommissioning of upstream oil & gas infrastructure both offshore and onshore primarily in Australia and Papua New Guinea.

2 Segment information (continued)

The Commissioning & Asset Support business has been determined as both an operating segment and a reportable segment.

Fabrication
This comprises Clough's fabrication and assembly services.

Forge
This comprises Clough's investment in Forge Group Limited.

Discontinued Segments

Marine Construction
This segment comprised engineering, procurement, installation and commissioning (EPIC) service for small and medium oil and gas projects across Australia with marine construction as a key element. This business included pipelay and facilities installation with the Java Constructor and subsea construction, umbilicals, risers and flowlines (SURF) globally with the Normand Clough.

The Marine Construction business was sold on 22 December 2011 and is classified as a discontinued operation. For further details, refer to note 5.

Other Discontinued Segments
Property is classified as a discontinued operation. Further information about this discontinued segment is disclosed in note 5.

PT Petrosea Tbk and related entities (Petrosea) was sold in the year ended 30 June 2010. Information about this discontinued segment is disclosed in note 5.

Corporate overheads and other
Corporate overheads and other, including share-based payments and central foreign exchange gains/losses, are not allocated to the above operating segments as they are not considered to be part of the core operations of any segment.

2 Segment information (continued)

(b) Segment information provided to the CODM

The segment information provided to the CODM for the reportable segments for the half-year ended 31 December 2012 and the restated segment information for the half-year ended 31 December 2011 is as follows:

Half-year 2012	**Engineering**	**Projects**	**Commissioning & Asset Support**	**Fabrication**	**Total Clough Operations**	**Forge**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue *	235,198	355,601	58,583	10,906	660,288	180,300	840,588
Revenue from external customers	**235,198**	**355,601**	**58,583**	**10,906**	**660,288**	**180,300**	**840,588**
Underlying earnings before corporate overheads and other	**33,839**	**24,483**	**4,400**	**(2,870)**	**59,852**	**17,580**	**77,432**
Corporate overheads and other					**(21,879)**	**-**	**(21,879)**
Underlying earnings					**37,973**	**17,580**	**55,553**

Half-year 2011	Engineering	Projects	Commissioning & Asset Support	Fabrication	Total Clough Operations	Forge	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total segment revenue *	159,466	258,207	27,498	20,500	465,671	74,488	540,159
Revenue from external customers	**159,466**	**258,207**	**27,498**	**20,500**	**465,671**	**74,488**	**540,159**
Underlying earnings before corporate overheads and other	21,646	13,479	977	300	36,402	9,863	46,265
Corporate overheads and other					(23,560)	-	(23,560)
Underlying earnings					12,842	9,863	22,705

* Includes share of revenue of jointly controlled entities and associates.

2 Segment information (continued)

(c) Notes to, and forming part of, the segment information

(i) Segment revenue
Segment revenue from Clough Operations reconciles to revenue from construction projects as disclosed in note 3 as follows:

	Half-year ended 2012 $'000	2011 $'000
Total segment revenue from Clough Operations	**660,288**	465,671
Segment revenue from jointly controlled entities	**(496,461)**	(345,867)
Revenue from construction projects (note 3)	**163,827**	119,804

(ii) *Underlying earnings from operations*
The CODM assesses the performance of the operating segments based on a measure of underlying earnings. Corporate overheads and other, including share-based payments and central foreign exchange gains/losses, are not allocated to the operating segments as they are not considered to be part of the core operations of any segment. The measurement basis of underlying earnings excludes the effects of non-recurring or distorting expenditure from the operating segments relating to one-off impacts arising from the acquisition or disposal of businesses. Interest income and expenditure are not allocated to segments as the financing function of the Group is centralised through the Group's treasury function.

A reconciliation of underlying earnings from operations to profit before income tax from continuing operations is provided as follows:

	Half-year ended 2012 $'000	2011 $'000
Underlying earnings from operations	**55,553**	22,705
Interest revenue	**2,361**	839
Finance costs	**(56)**	(127)
Tax expense included in share of net profits of equity accounted entities	**(6,092)**	(2,846)
Net interest income included in share of net profits of equity accounted entities	**445**	34
Fair value loss on Forge Option Securities	**-**	(2,113)
Gain on sale of land to Forge, net of deferral	**-**	725
Sign on shares and cash paid to new CEO	**-**	(1,300)
Other adjustments including legacy project costs	**-**	219
Profit before income tax from continuing operations	**52,211**	18,136

(iii) *Segment assets and liabilities*
The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. The total assets and liabilities are provided for the Group as a whole and are not allocated to each operating segment.

3 Revenue

	Half-year ended	
	2012	2011
	$'000	$'000
From continuing operations		
Revenue		
Construction projects	**163,827**	119,804
Other revenue		
Rental income	**3,173**	3,889
Interest income	**2,361**	839
Other revenue (note (i))	**102,431**	58,087
	107,965	62,815
	271,792	182,619

(i) Includes labour and other recharges to jointly controlled entities.

Revenue - Group and jointly controlled entities
The consolidated entity's share of construction project revenue from jointly controlled entities is excluded from revenue noted above and from the statement of comprehensive income in accordance with Accounting Standards. The delivery of a number of projects by the consolidated entity is through various joint venture arrangements. Details of the consolidated entity's share of jointly controlled entities construction project revenue (after any necessary proportional consolidation adjustments) is provided as additional information below as Revenue - Group and jointly controlled entities.

	Half-year ended	
	2012	2011
	$'000	$'000
From continuing operations		
Revenue - Group and jointly controlled entities		
Construction project revenue - Group	**163,827**	119,804
Construction project revenue - Jointly controlled entities	**496,461**	345,867
	660,288	465,671

4 Equity securities issued

	2012 Shares	2011 Shares	**2012 $'000**	2011 $'000
Issues of ordinary shares during the half-year				
Balance at start of period	**774,865,657**	769,801,269	**232,614**	229,792
Exercise of 354,182 options with an exercise price of 34 cents per share	**354,182**	-	**120**	-
Exercise of 40,000 options with an exercise price of 57 cents per share	**40,000**	-	**23**	-
Issue of 1,136,394 new shares at a price of 79.1979 cents per share	**-**	1,136,394	**-**	900
Exercise of 545,000 options with an exercise price of 31 cents per share	**-**	545,000	**-**	169
Exercise of 70,000 options with an exercise price of 57 cents per share	**-**	70,000	**-**	40
Share buyback	**-**	(1,000,000)	**-**	(736)
Balance at end of period	**775,259,839**	770,552,663	**232,757**	230,165

Share buyback
During September and October 2011, the Company purchased on-market and cancelled 1,000,000 ordinary shares in order to offset shares expected to be issued as a result of the exercise of options under the Clough Limited Employee Option Plan. The shares were acquired at an average price of 73.47 cents per share, with prices ranging from 70.5 cents to 75.5 cents. The total cost of the share buyback of $736,000, including $3,000 of after tax transaction costs, was deducted from contributed equity.

There was no on-market share buyback in the period ended 31 December 2012 and there is no current on-market share buyback.

5 Discontinued operations

Discontinued operations comprise Property, Petrosea and in the comparative period, the Marine Construction business as detailed below. The loss from discontinued operations for the period of $66,000 (2011: $6,106,000) is made up as follows:

- Loss for Property for the period of $328,000 (2011: loss $9,399,000).
- Gain relating to Petrosea for the period of $262,000 (2011: loss $500,000).
- Loss of the Marine Construction business to date of sale on 22 December 2011 in the period ended 31 December 2011 of $2,878,000.
- Gain on sale of the Marine Construction business on 22 December 2011 in the period ended 31 December 2011 of $6,671,000

(a) Property

During the year ended 30 June 2009, the Company determined that it was going to exit from the property business and an active sales process was commenced. During the current period, a number of sales have taken place and it is expected that these disposals will be completed within the next 12 months. As a result, property has been reported in this financial report as a discontinued operation. The property assets have been presented in the balance sheet as assets classified as held for sale and the associated liabilities have been presented as liabilities directly associated with assets classified as held for sale.

Property recorded a net loss after tax of $328,000 (2011: $9,399,000) for the period ended 31 December 2012. The results included the impairment of property developments of $nil (2011: $6,828,000) and an income tax benefit of $141,000 (2011: expense $486,000).

Property recorded net cash inflows from operating activities of $2,924,000 (2011: outflow $325,000), net cash inflows from investing activities of $1,500,000 (2011: $719,000) and net cash outflows from financing activities of $nil (2011: $nil) for the period.

As at 31 December 2012, property has assets classified as held for sale of $19,344,000 (30 June 2012: $21,998,000) and liabilities directly associated with assets classified as held for sale of $4,557,000 (30 June 2012: $4,557,000).

5 Discontinued operations (continued)

(b) Petrosea
Clough sold its investment in Petrosea to PT Indika during the year ended 30 June 2010. During the year ended 30 June 2011, Clough received a claim from PT Indika in relation to a warranty included in the Petrosea sales agreement. As a result of this claim, a provision of $500,000 was made in the period ended 31 December 2011. During the period ended 31 December 2012, the dispute with PT Indika was resolved and Clough recorded a net gain on settlement of $262,000. These amounts have been included in discontinued operations.

(c) Marine Construction
The Company having undertaken a strategic review of its operations during the year ended 30 June 2011, resolved to exit the asset owning Marine Construction business and focus on core activities being that of an Engineering led EPC company in the oil and gas and minerals sectors.

On 8 August 2011, Clough announced that it had signed a conditional Master Sale and Purchase Agreement (Sale and Purchase Agreement) to sell its Marine Construction business to SapuraCrest Petroleum Berhad ("SapuraCrest"), a listed Malaysian entity. The gross consideration agreed for the sale of the Marine Construction business was $127 million (of which $50 million was to be paid in US dollars) subject to an adjustment amount to be calculated by an "adjustment statement mechanism" based on the final net asset position of the Marine Construction business at completion.

The sale of the Marine Construction business was completed on 22 December 2011.

The Marine Construction business included the Java Constructor vessel and associated marine construction equipment. It also included Clough's interest in the Clough Helix Joint Venture Pty Ltd, which operates the chartered Normand Clough vessel, and its investments in specialist engineering businesses, Ocean Flow International LLC and the Peritus entities. Relevant contracts including the Chevron Gorgon Domestic Gas pipeline projects have been novated.

The results of the Marine Construction business to the date that it was sold have been recorded in these financial statements as being a discontinued operation. Financial information relating to the Marine Construction business is set out below.

(i) Financial performance and cash flow information of the Marine Construction business

The financial performance and cash flows of the Marine Construction business for the period ended 31 December 2011 is detailed below.

	Half-year ended	
	2012	2011
	$'000	$'000
Profit for the period ended 31 December 2011 from the Marine Construction business		
Revenue	-	29,117
Other revenue	-	16,766
Other income	-	1,037
Expenses	-	(48,468)
Loss before income tax	-	(1,548)
Income tax expense	-	(1,330)
Loss after income tax of the Marine Construction business	-	(2,878)
Gain on sale of the Marine Construction business (see (iii) below)	-	6,671
Profit from the Marine Construction business	-	3,793
Cash flows of the Marine Construction business (including sale)		
Net cash outflow from operating activities	-	(320)
Net cash inflow from investing activities	-	92,804
Net cash outflow from financing activities	-	(42,989)
Net increase in cash generated by the Marine Construction business	-	49,495

5 Discontinued operations (continued)

(ii) Carrying amounts of assets and liabilities of the Marine Construction business at date of sale

The carrying amounts of the assets and liabilities of the Marine Construction business as at 22 December 2011 were as follows:

	22 December 2011 $'000
Assets	
Cash and cash equivalents	26,857
Receivables	26,481
Work in progress	4,233
Property, plant and equipment	91,636
Intangible assets	7,369
Deferred tax assets	405
Total assets	156,981
Liabilities	
Payables	(17,351)
Amounts due to customers for contract work	(31,213)
Borrowings *	-
Tax liabilities	(344)
Provisions	(5,430)
Total liabilities	(54,338)
Net assets	102,643
Amounts recognised directly in equity as at 22 December 2011	
Foreign currency translation reserve	(6,133)
Non-controlling interests	671
Net equity	(5,462)

* The borrowings related to the Marine Construction business were not sold as part of the disposal but were repaid out of the proceeds received from the sale. The borrowings related to the Marine Construction business at 22 December 2011 totalled $41,643,000 and were repaid on this date.

(iii) Details of the sale of the Marine Construction business

The sale of the Marine Construction business was completed on 22 December 2011 and cash consideration of $129,533,000 was received, comprising of US$50,000,000 and $79,107,000.

In accordance with the terms of the Sale and Purchase Agreement, the purchase consideration was required to be adjusted for any reduction in the final net asset position of the Marine Construction business at the date of sale compared to the position as at 30 June 2011. At 31 December 2011, Clough estimated that purchase consideration would be reduced by an adjustment amount of $2,518,000 based on the unaudited net assets of the Marine Construction business at 22 December 2011.

	Half-year ended	
	2012 $'000	2011 $'000
Consideration received or receivable:		
Cash	-	129,533
Less: Estimated adjustment amount payable	-	(2,518)
Total disposal consideration	-	127,015
Carrying amount of net assets sold	-	(102,643)
Less: Non-controlling interests	-	671
Less: Foreign currency translation reserve	-	(6,133)
Less: Estimated costs associated with the disposal	-	(12,239)
Gain on sale before income tax	-	6,671
Income tax expense	-	-
Gain on sale after income tax	-	6,671

5 Discontinued operations (continued)

Subsequent to 31 December 2011, a final adjustment amount of $3,483,000 was agreed with SapuraCrest based on the final audited net assets of the Marine Construction business at 22 December 2011of $102,170,000. In addition, the costs of the disposal were finalised and totalled $12,569,000. As a result of the finalisation of these amounts subsequent to 31 December 2011, the final gain on disposal of the Marine Construction business was $5,849,000 as disclosed in Clough's financial statements for the year ended 30 June 2012.

Cash flow on disposal of the Marine Construction business
The net cash inflow on disposal of the Marine Construction business at 31 December 2011 was $94,551,000 before the repayment of borrowings related to the Marine Construction business. This was made up of cash consideration received of $129,533,000 less cash costs incurred at 31 December 2011 associated with the disposal of $8,125,000, net of cash held by the Marine Construction business at the date of disposal of $26,857,000. Clough repaid the borrowings associated with the Marine Construction business of $41,643,000 out of the proceeds received above, and thus the overall net cash inflow arising from the sale of the Marine Construction business was $52,908,000.

Further cash payments (including the final adjustment amount and the settlement of certain costs of disposal) in relation to the sale of the Marine Construction business were paid subsequent to 31 December 2011. As a result, the final overall net cash inflow arising from the sale of the Marine Construction business was $45,410,000 as disclosed in Clough's financial statements for the year ended 30 June 2012.

6 Reserves and retained earnings

	31 December 2012 $'000	30 June 2012 $'000
(a) Reserves		
Convertible note premium reserve	**394**	394
Hedging reserve - cash flow hedges	**(1,085)**	(1,710)
Share-based payments reserve	**6,569**	5,868
Foreign currency translation reserve	**(5,526)**	(5,412)
Minority buyback reserve	**(7,952)**	(7,952)
Capital reserve	**720**	720
	(6,880)	(8,092)

(b) Retained earnings

Movements in retained earnings were as follows:

	31 December 2012 $'000	30 June 2012 $'000
Balance start of period	**125,023**	99,061
Profit for the period attributable to members of Clough Limited	**43,175**	42,898
Dividends	**(20,153)**	(16,936)
Balance end of period	**148,045**	125,023

7 Dividends

	Half-year ended	
	2012	2011
	$'000	$'000
(a) Ordinary shares		
Final dividend for the year ended 30 June 2012 of 2.6 cents (2011 - 2.2 cents) per fully paid share paid on 5 October 2012		
Franked to 25% based on tax paid @ 30% (2011 - franked to 45%)	**20,153**	16,936

8 Contingencies

Contingent liabilities

The Company had contingent liabilities at 31 December 2012 in respect of:

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 involve litigation or arbitration. The Directors do not consider the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity.

Warranties
Clough sold its Marine Construction business to SapuraCrest Petroleum Berhad on 22 December 2011. Various warranties were provided by Clough as part of the sale transaction. The Directors do not consider that these warranties will have a material adverse impact on the financial position of the consolidated entity.

9 Events occurring after the balance sheet date

No matters or circumstances have arisen since the end of the financial period, 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 period ended 31 December 2012, apart from the matter detailed below.

On 31 January 2013, Clough announced that it had acquired e2o, a leading Australian commissioning and completions contractor servicing the energy and resources sector. The acquisition includes an initial payment of $9 million on completion, deferred payments of $2 million and further amounts payable up to a maximum of $3 million over a three-year period subject to meeting certain performance criteria.

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

K.T. Gallag

Kevin Gallagher
Director

Keith Spence
Director

PERTH
15 February 2013

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

Independent Auditor's Review Report to the members of Clough Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Clough Limited, which comprises the condensed statement of financial position as at 31 December 2012, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Clough Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Clough Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Clough Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 15 February 2013