



# REPORT TO STAKEHOLDERS

YEAR ENDED 30 JUNE 2005



Globalising Murray & Roberts



# MURRAY & ROBERTS REBUILT

## THE GLOBAL CONSTRUCTION ECONOMY

**Five years of  
Rebuilding Murray & Roberts  
has seen a fundamental reshaping of our Group**



**Globalising Murray & Roberts**

**DIRECTORATE & MANAGEMENT**

**We start our new journey  
Globalising Murray & Roberts  
with a board and executive leadership where 75%  
of the members are new to Murray & Roberts and  
75% of whom bring new and different experience to  
the construction and engineering industry**





# MURRAY & ROBERTS REBUILT

## OUR GLOBAL BUSINESS MODEL

A world map is centered within a yellow, cloud-like thought bubble. The map shows continents in dark grey and oceans in light grey. The thought bubble has a grid pattern and is connected to a rectangular frame below it by two overlapping circles. Below the frame, the text "YEAR 2000" is written in a bold, black, sans-serif font.

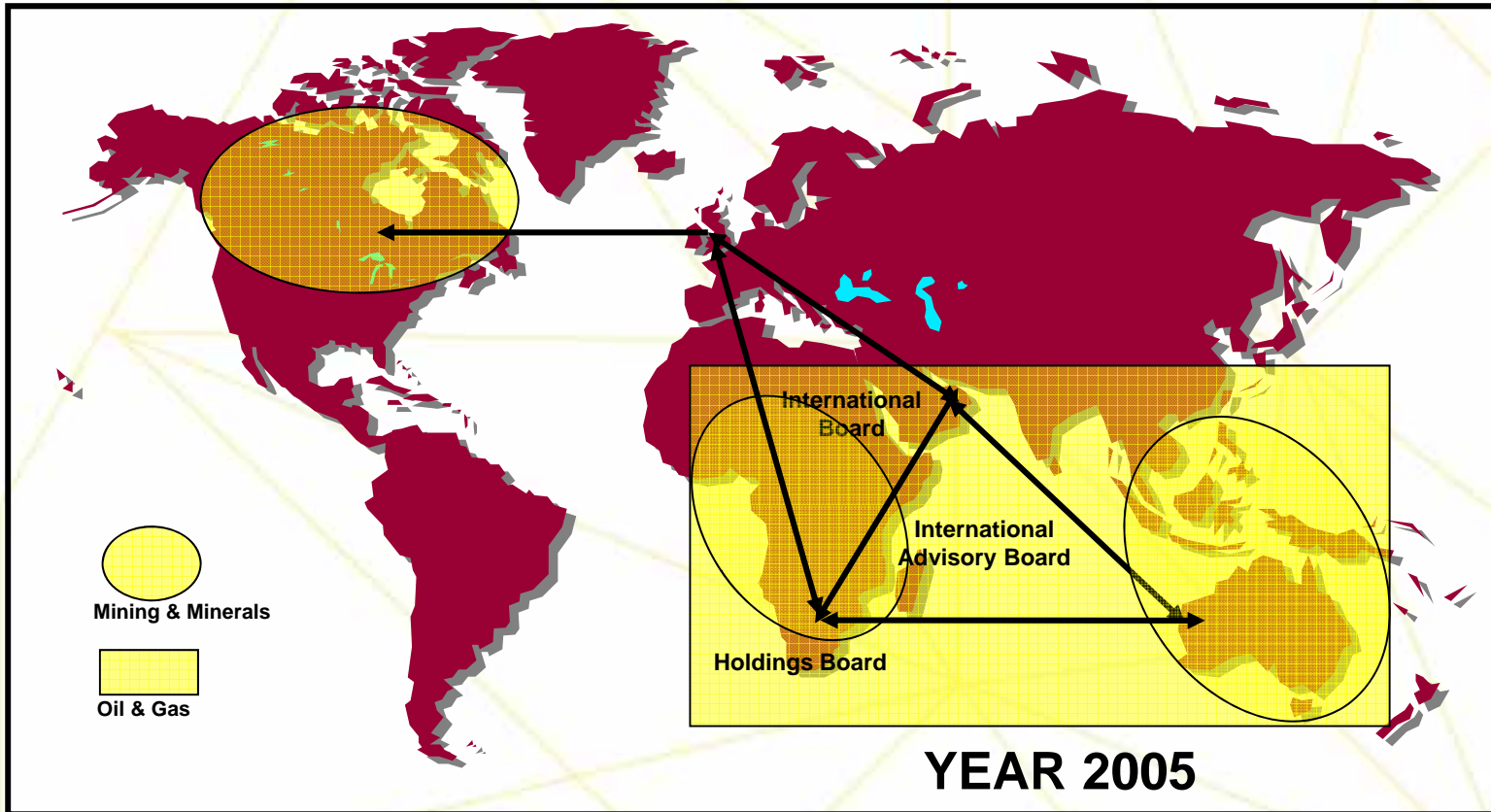


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# MURRAY & ROBERTS REBUILT

## OUR GLOBAL BUSINESS MODEL

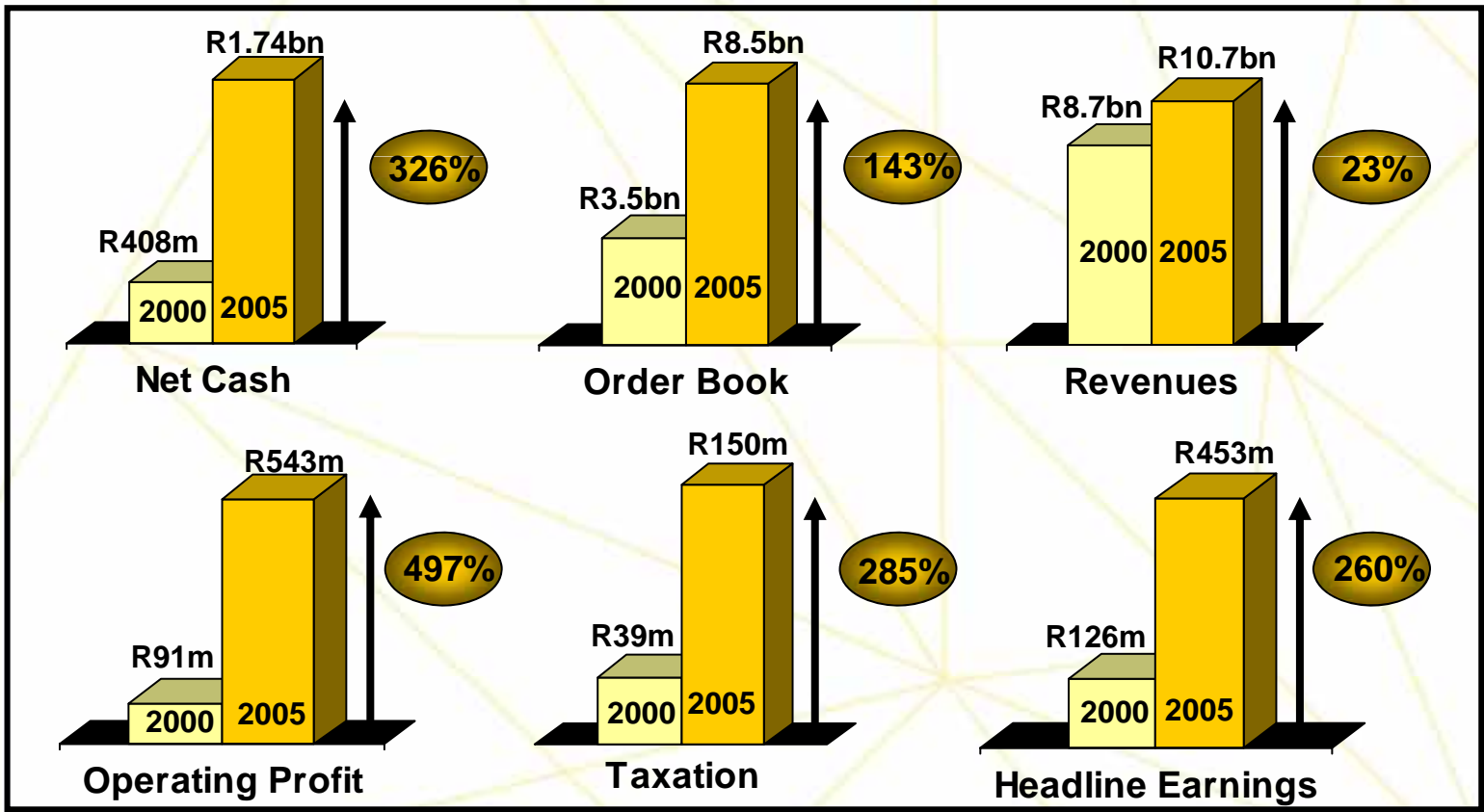


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# MURRAY & ROBERTS REBUILT

## THE SALIENT POINTS – 2000 vs 2005

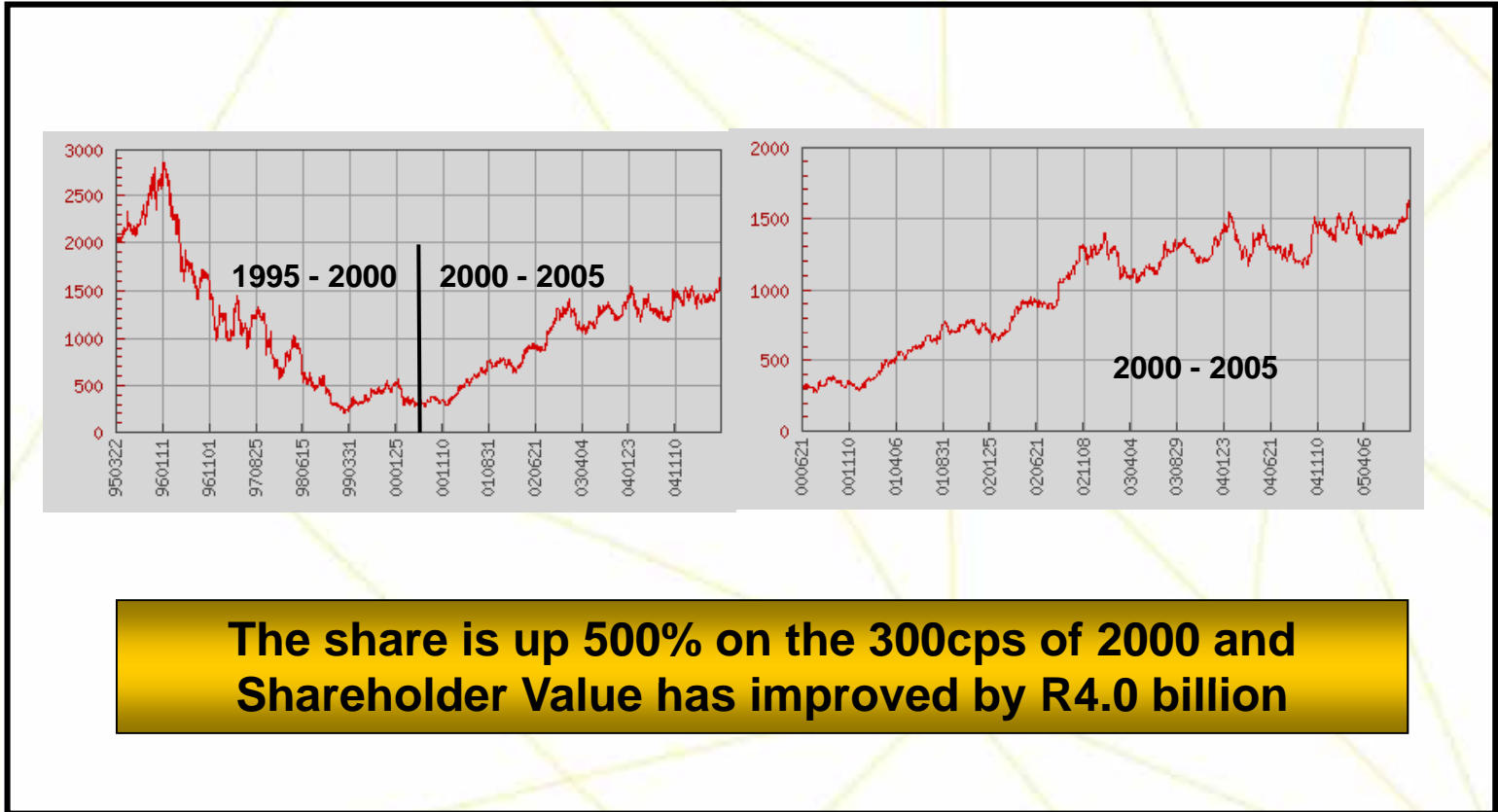


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# MURRAY & ROBERTS REBUILT

## THE SHARE PRICE – 2000 vs 2005

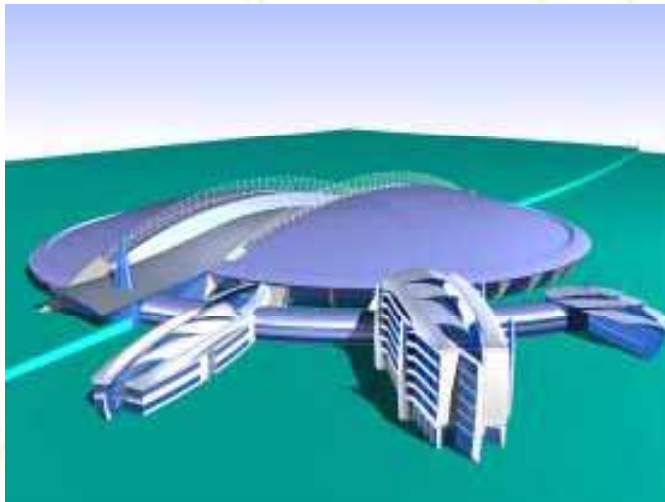


**The share is up 500% on the 300cps of 2000 and Shareholder Value has improved by R4.0 billion**



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## **AREAS OF CONCERN**



- **A loss of R40 million (12 cps) on the KHALIFA SPORTS HALL project in Qatar will require significant corporate resolve and may take more than the current reporting period to achieve finality.**
- **The liquidation of Consani Engineering in January 2005 was a major setback after the effort that went into transforming the company over the preceding years. An exceptional write-down of R144 million has been recognised in the accounts.**





**AREAS OF CONCERN**

- A total of 12 fatalities were recorded in the year on work sites under our control. The Group has committed the necessary resources to ensure that operations will be safe and that all people entering and working in our many operations are appropriately prepared and protected against possible danger.

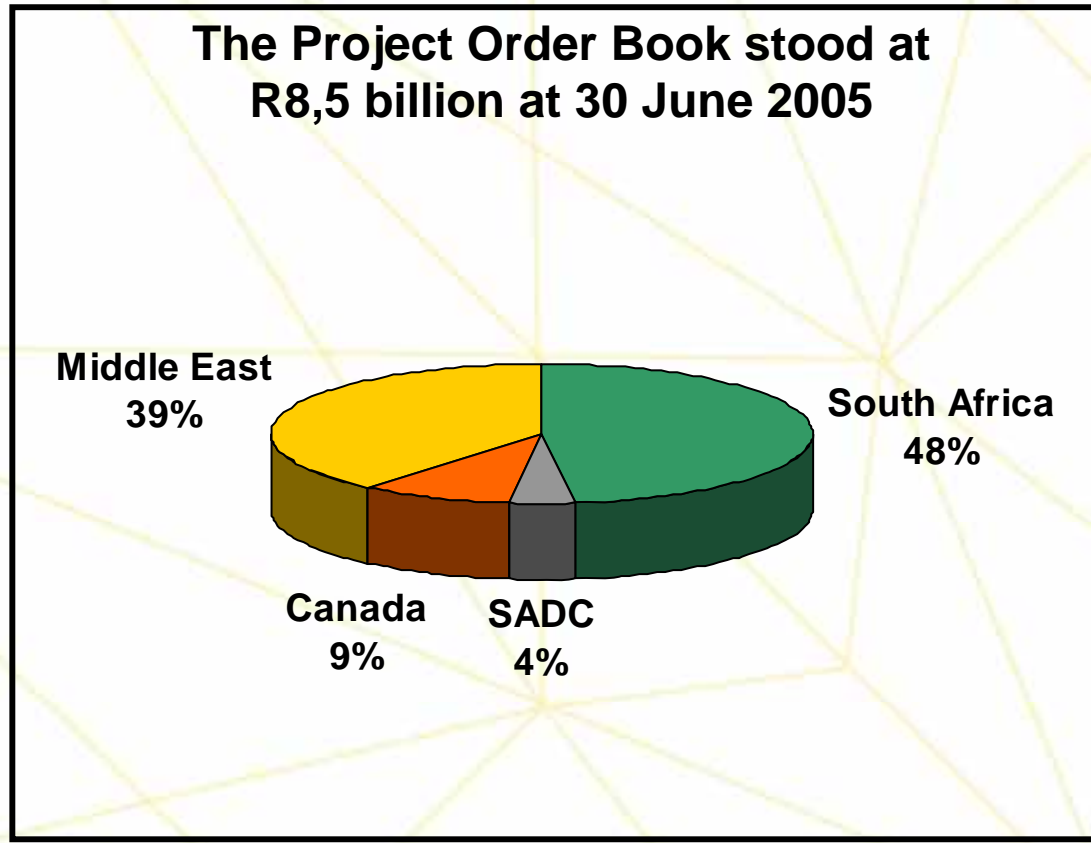
Operation	Fatalities	
	Employees	Sub-contractors & Partners
Construction SADC	2	3
Mining Contracting RSA	3	0
Construction Middle East	0	2
Infrastructure Materials	2	0





**AT 30 JUNE 2005**

# PROJECT ORDER BOOK

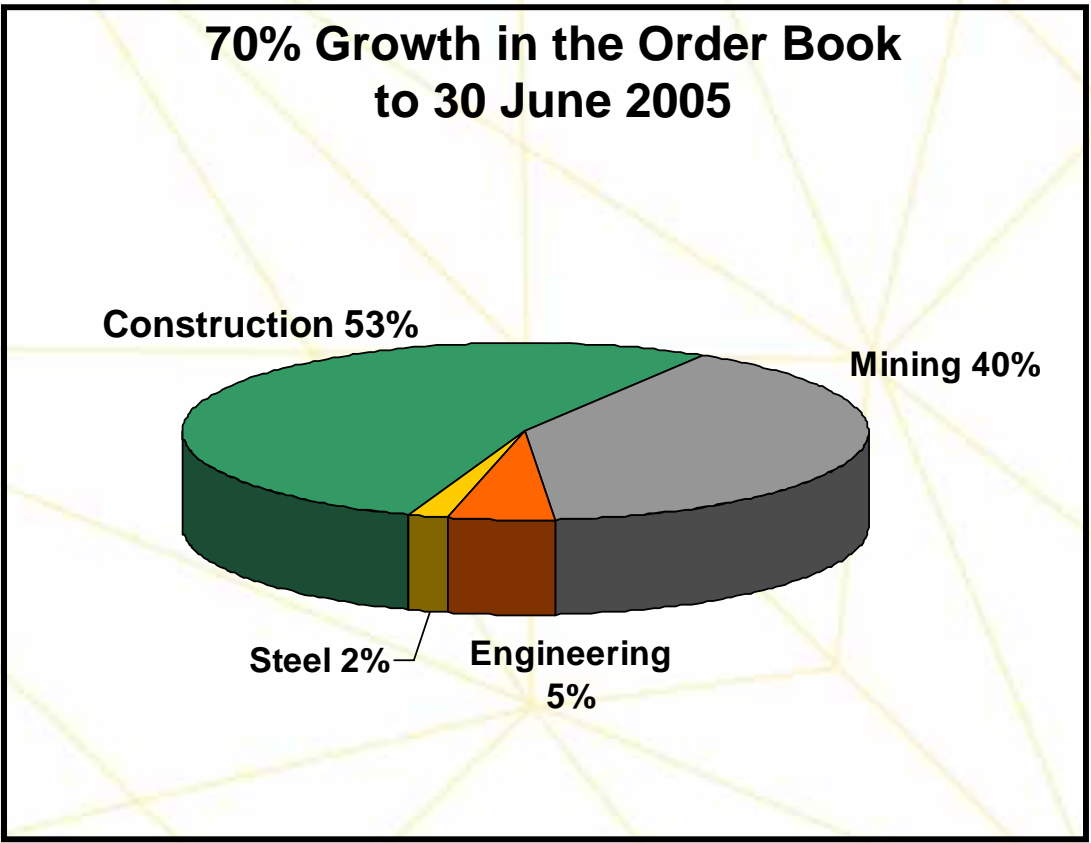


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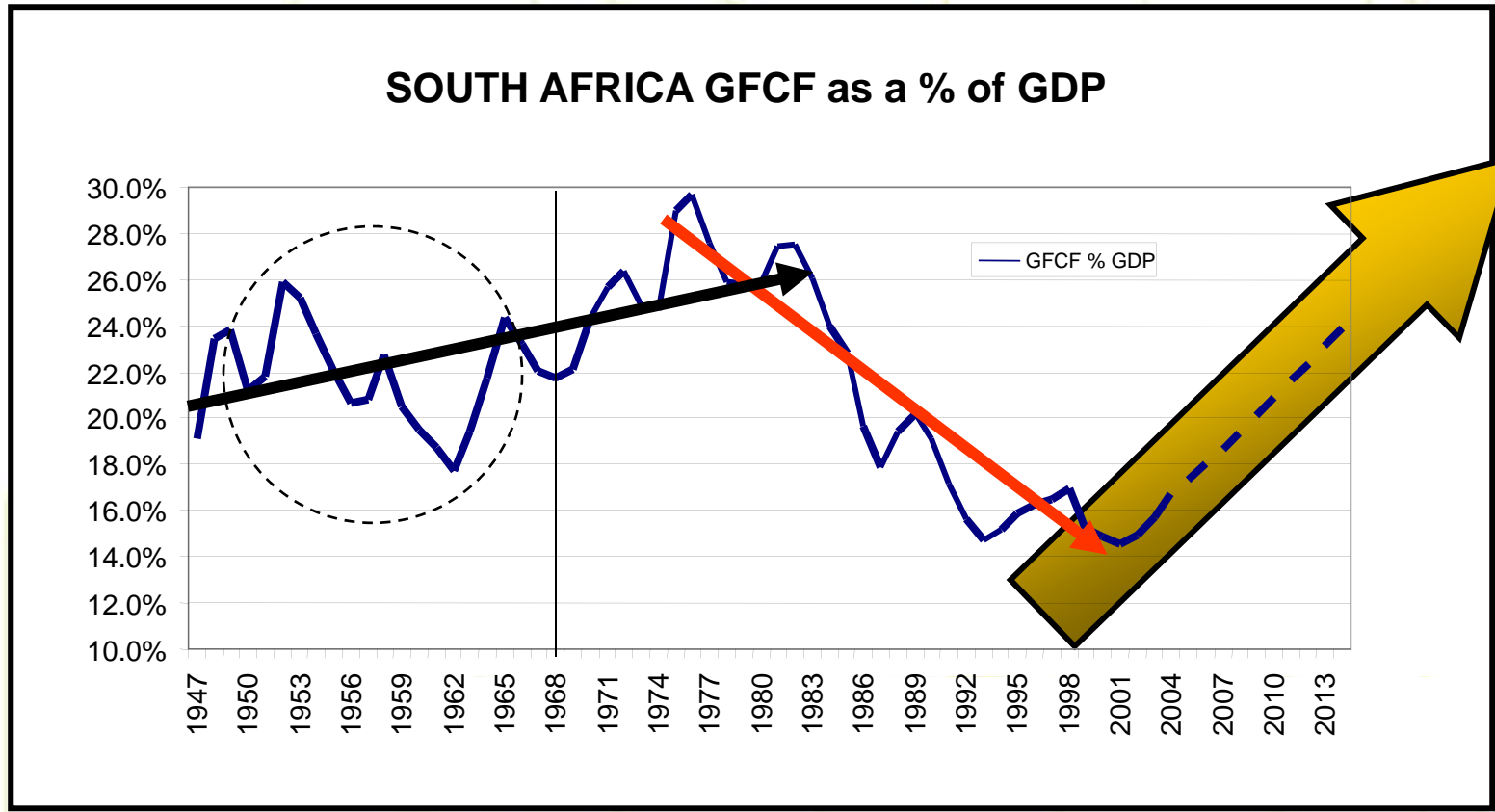
**AT 30 JUNE 2005**

# PROJECT ORDER BOOK



**Globalising Murray & Roberts**

**SOUTH AFRICAN CONSTRUCTION ECONOMY**







POST 30 JUNE 2005

# PROJECT ORDER BOOK



**Preferred Bidder Status**

	<b>Gautrain Rapid Rail Link DFBOT</b>
	<b>40%</b>
	<b>PBMR Nuclear Program EPCM</b>
	<b>50%</b>



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**FINANCIALS**

(cents per share)	2005	2004
<b>DIVIDEND</b>	45	45
<b>HEADLINE EARNINGS</b>	140	155
(percentage)		
<b>OPERATING MARGIN %</b>	5,1	5,0
<b>RETURN ON SHAREHOLDER FUNDS %</b>	16,1	19,0
(R millions)		
<b>ATTRIBUTABLE EARNINGS</b>	448	477



**BALANCE SHEET**

**UP 19%**

(R millions)	2005	2004
<b>TOTAL ASSETS</b>	<b>7 200</b>	<b>6 132</b>
Cash	1 933	1 104
Fixed & Current	5 267	5 028
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>7 200</b>	<b>6 132</b>
Permanent capital	3 059	2 657
Non-current liabilities	820	632
Current liabilities	3 321	2 843

**A Strong Balance Sheet**

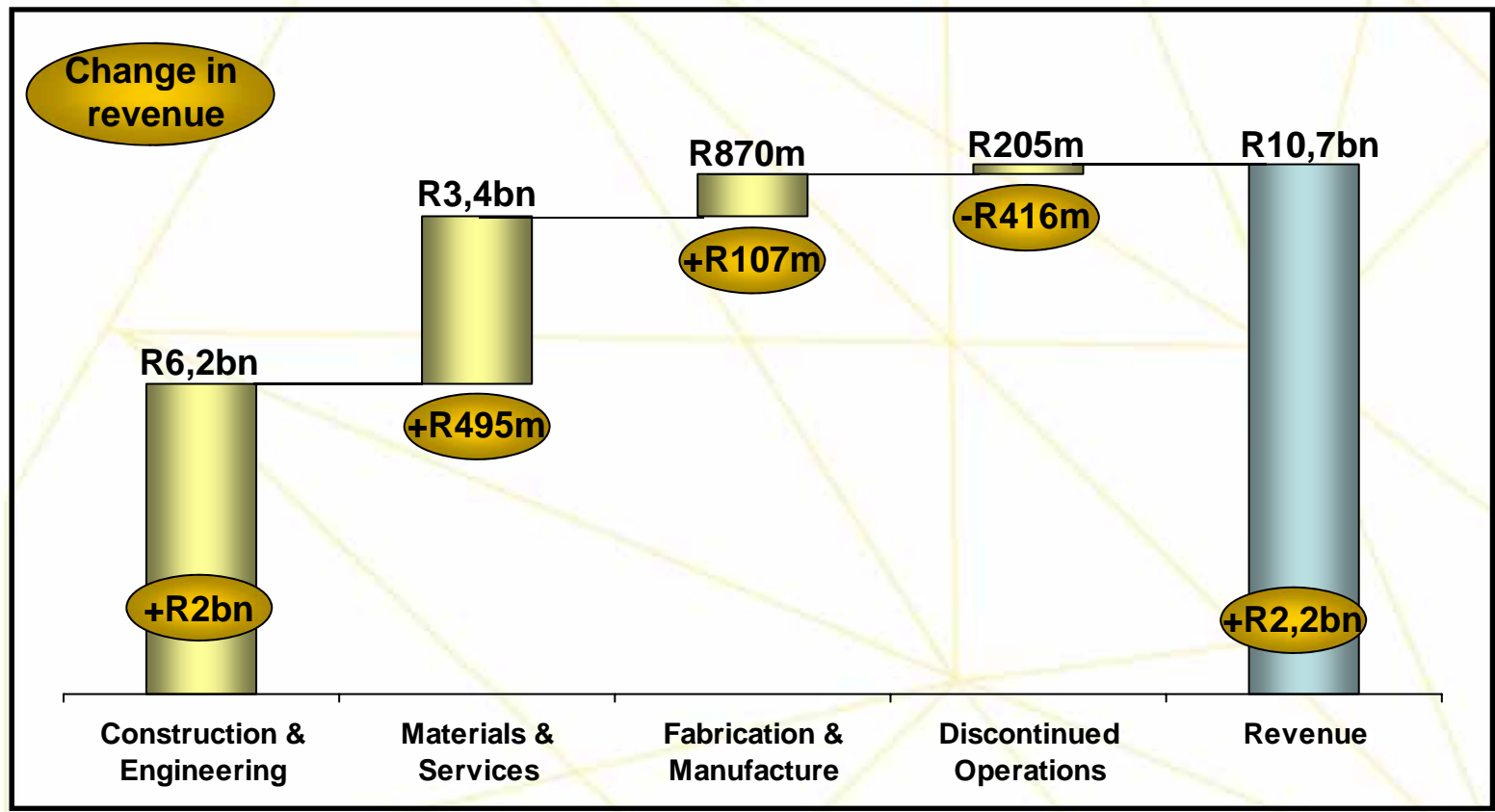




# YEAR ENDED 30 JUNE 2005

## REVENUE

UP 27%



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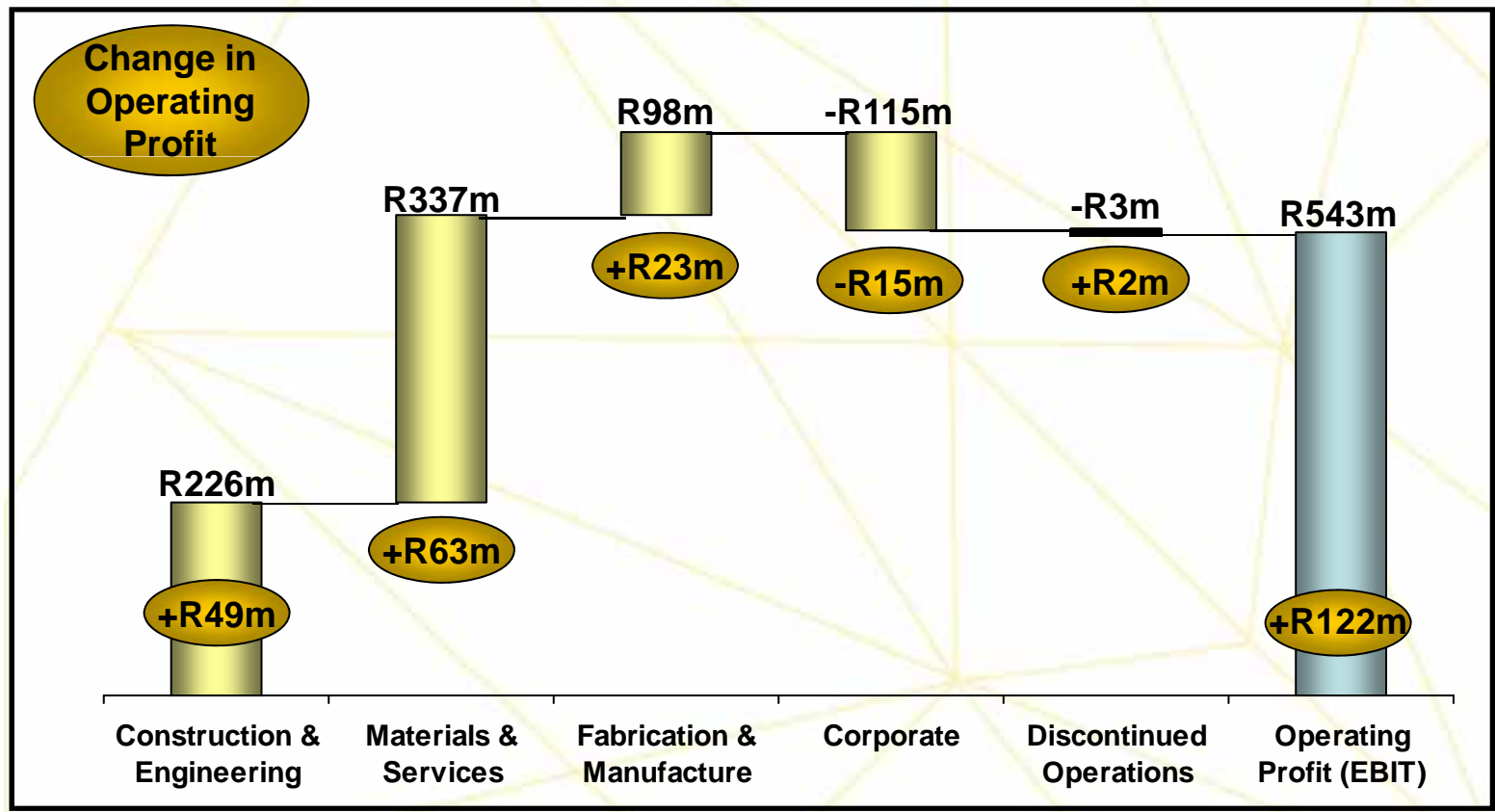




YEAR ENDED 30 JUNE 2005

OPERATING PROFIT

UP 29%



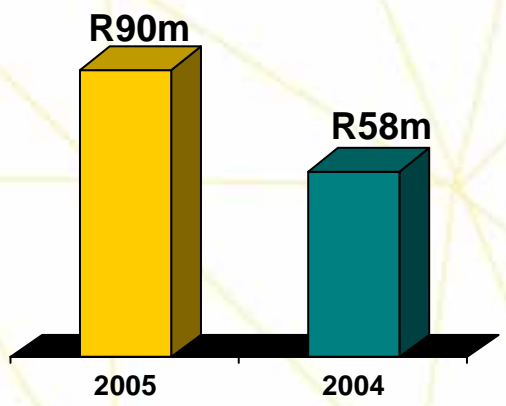
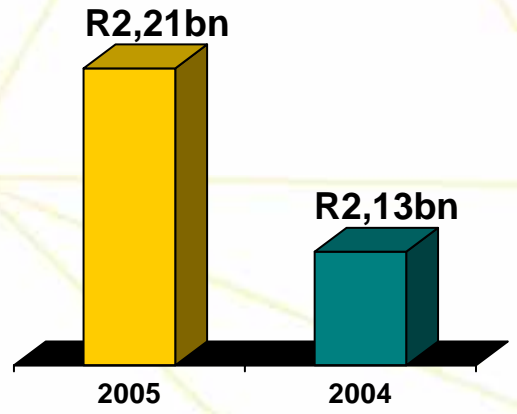
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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Construction SADC\*



Margin : 4,1% (2004: 2,8%)

\*excluding Concessions

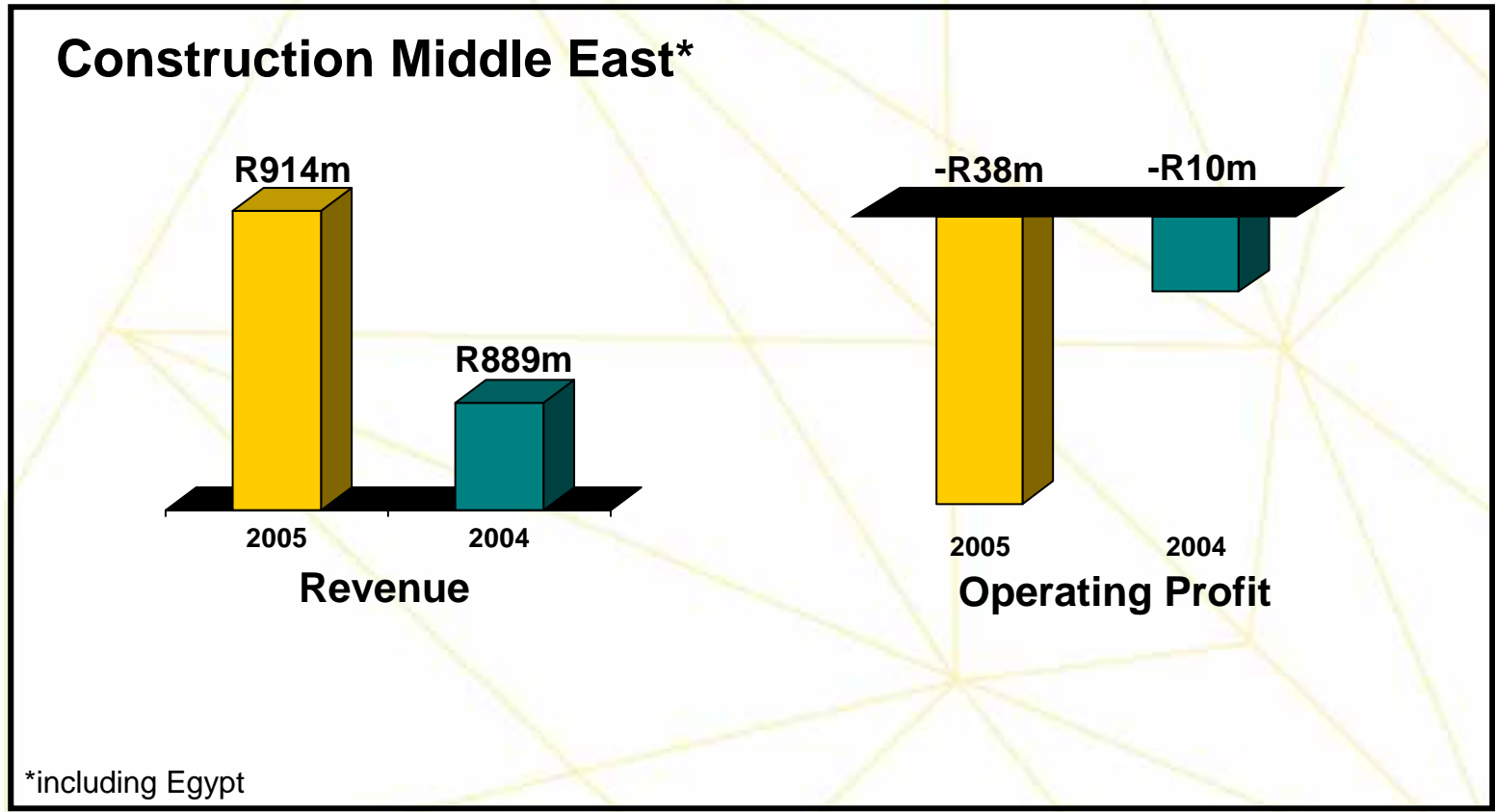


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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS



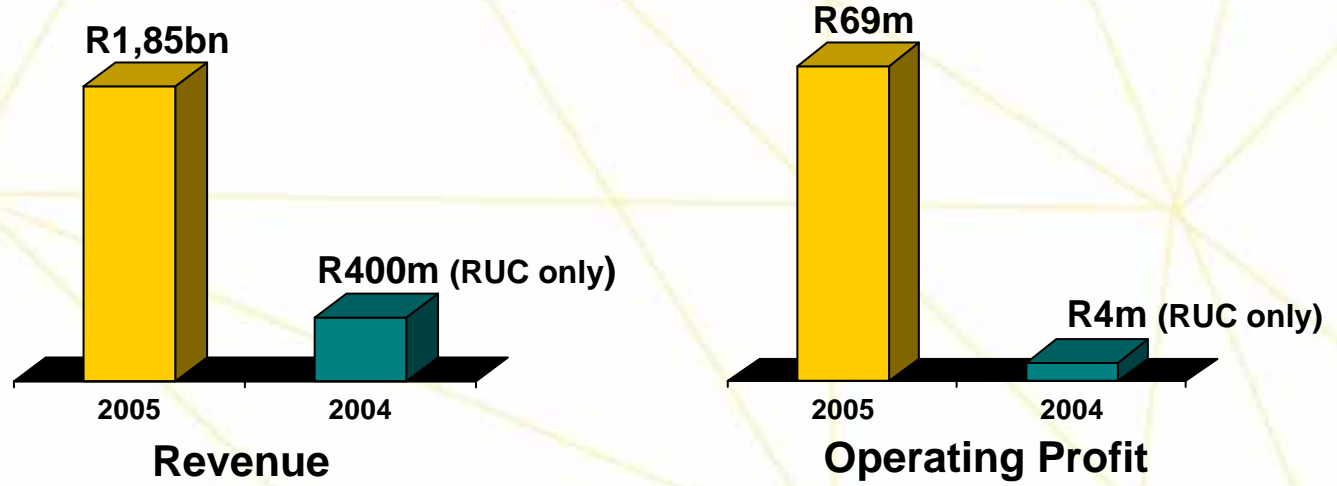
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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Mining Contracting SADC



Margin : 3,7% (2004: 1,0%)



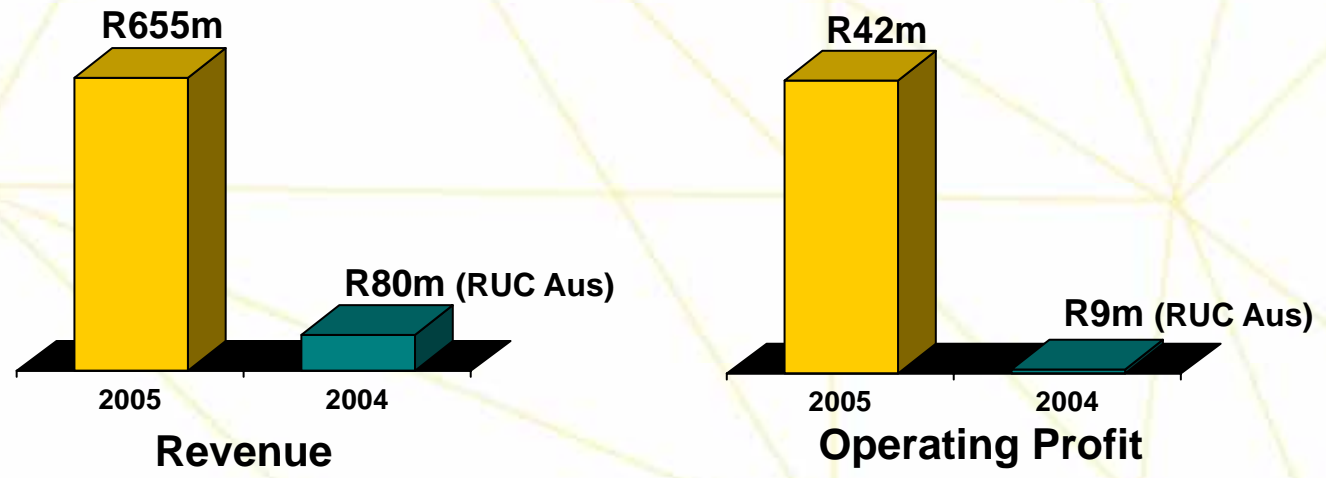
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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Mining Contracting International



Margin : 6,4% (2004: 11.3%)



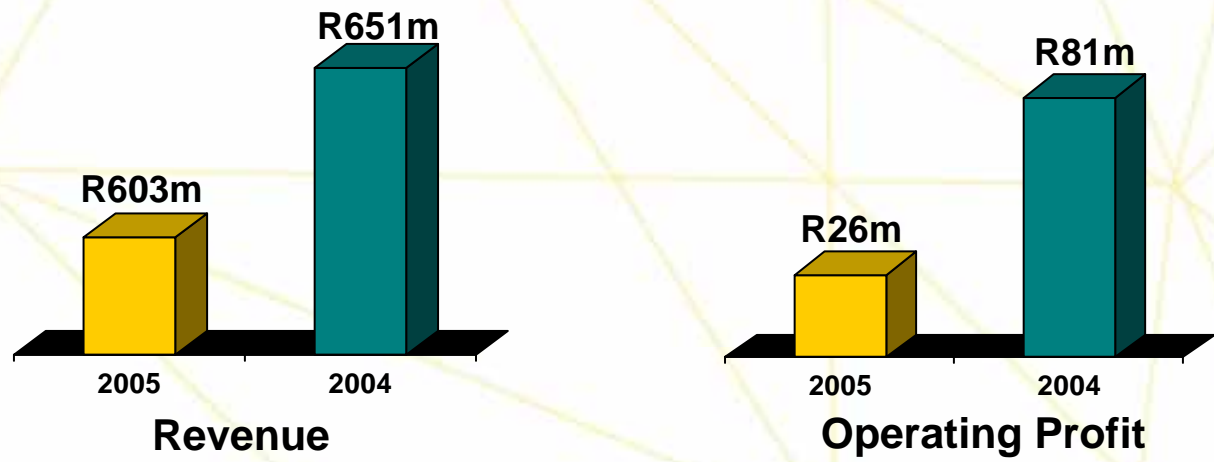
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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Engineering Contracting SADC



Margin : 4,3% (2004: 12,4%)



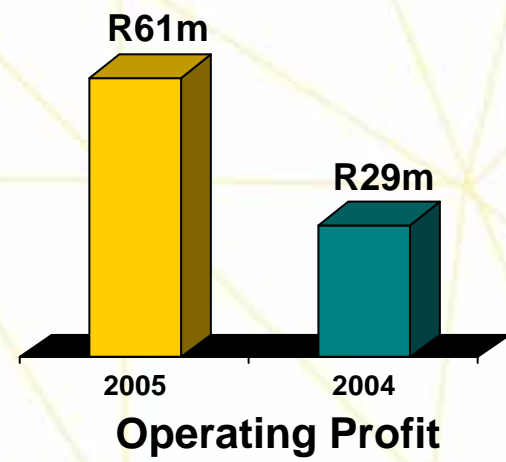
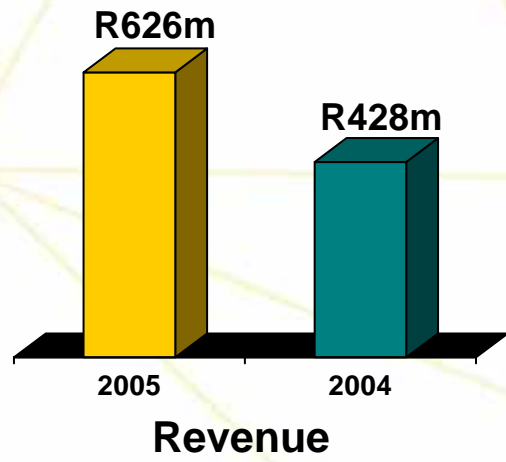
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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Construction Materials & Services - Fabrication



Margin : 9,7% (2004: 6,8%)



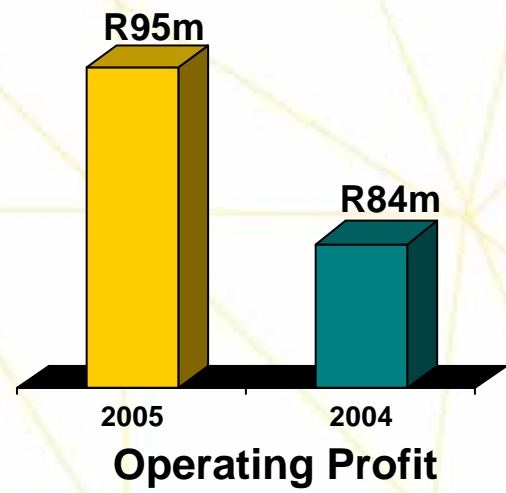
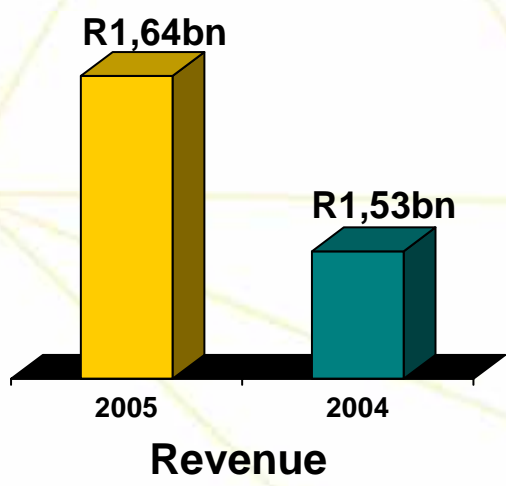
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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Construction Materials & Services - Steel



Margin : 5,8% (2004: 5,5%)



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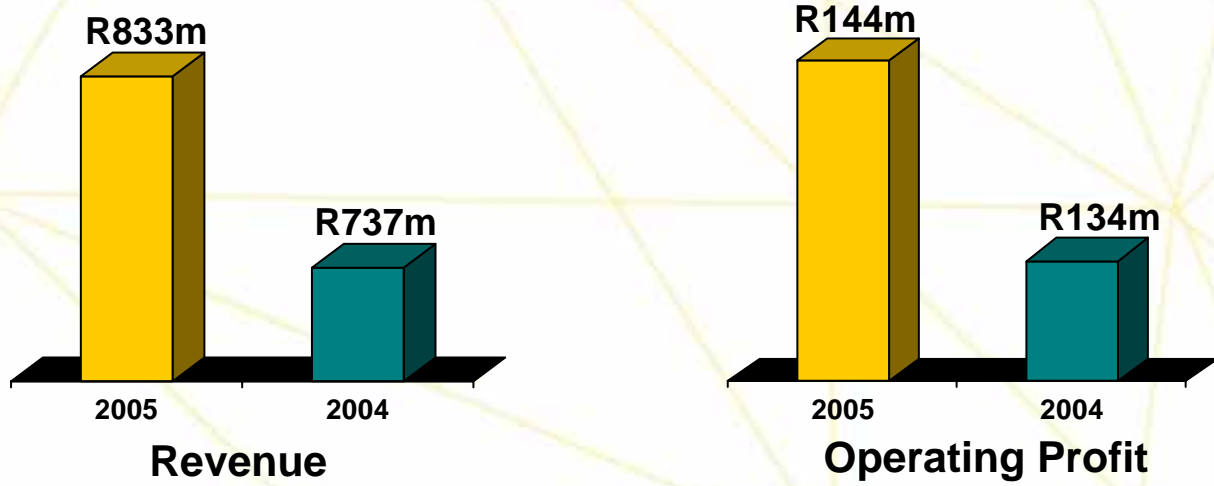




# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Construction Materials & Services - Infrastructure



Margin : 17,3% (2004: 18,2%)



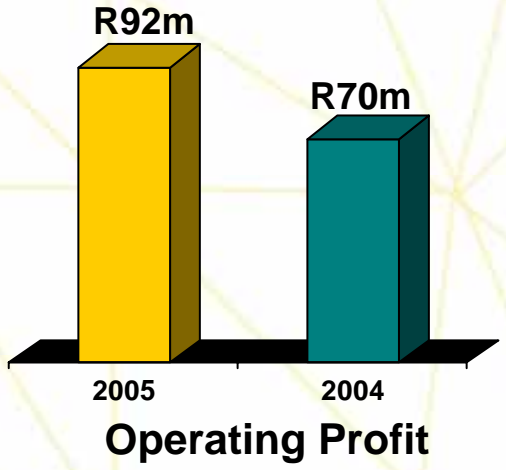
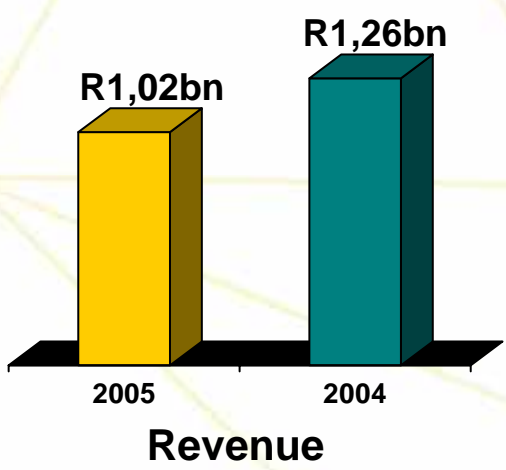
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# REPORT BACK YEAR END 30 JUNE 2005

## OPERATIONS

### Industrial & Manufacturing



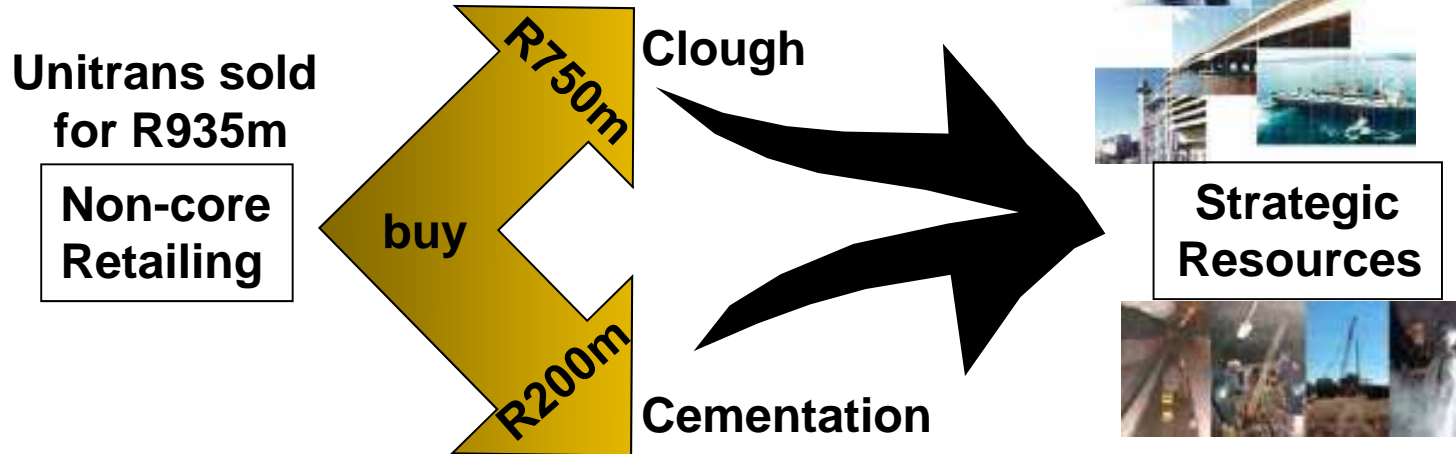
Margin : 9,0% (2004: 5,6%)



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**CORPORATE ACTIVITY**

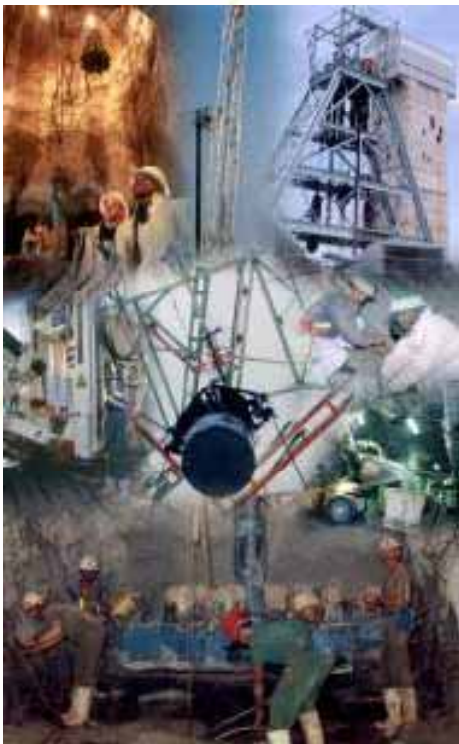
**A FAIR SWAP FOR UNITRANS :**



**Cementation and Clough operate within the strategic focus of the Group and are expected to deliver attributable earnings from the 2007 financial year in line with what could have been expected had the Group remained invested in Unitrans**



**CEMENTATION**



**THE CEMENTATION CO AFRICA LIMITED**

- Acquired 1 July 2004
- De-listed from the JSE Limited
- Merged with Murray & Roberts RUC
- Empowered 1 January 2005 with 26% sold to AKA Capital

**CEMENTATION CANADA INC**

- Murray & Roberts International
- Deepest mine outside RSA

**Murray & Roberts Cementation  
Cementation Canada  
RUC Australia**



**CLOUGH LIMITED**



- **Based in Perth West Australia**
- **Similar development history to Murray & Roberts**
- **Offshore and Onshore Oil & Gas**
- **Australia, Indonesia, Thailand, India, Pakistan, Saudi Arabia and the Gulf**
- **Transaction approved 10 November 2004 for 29,3% stake and right to control**
- **Pre-acquisition issue : BassGas Dispute**
- **Shareholding creep to 30,2%**

**Agreement reached to increase shareholding to 49% subject to shareholder and regulatory approval**



**CORPORATE ACTIVITY**

**CRITERION :**

- Sold to J&J Group on 1 September 2005
- Empowerment transaction valued at R75 million
- Includes an element of vendor financing

**BOOKER TATE :**

- Sold on 1 September 2004
- Pension fund deficit

**OCONBRICK :**

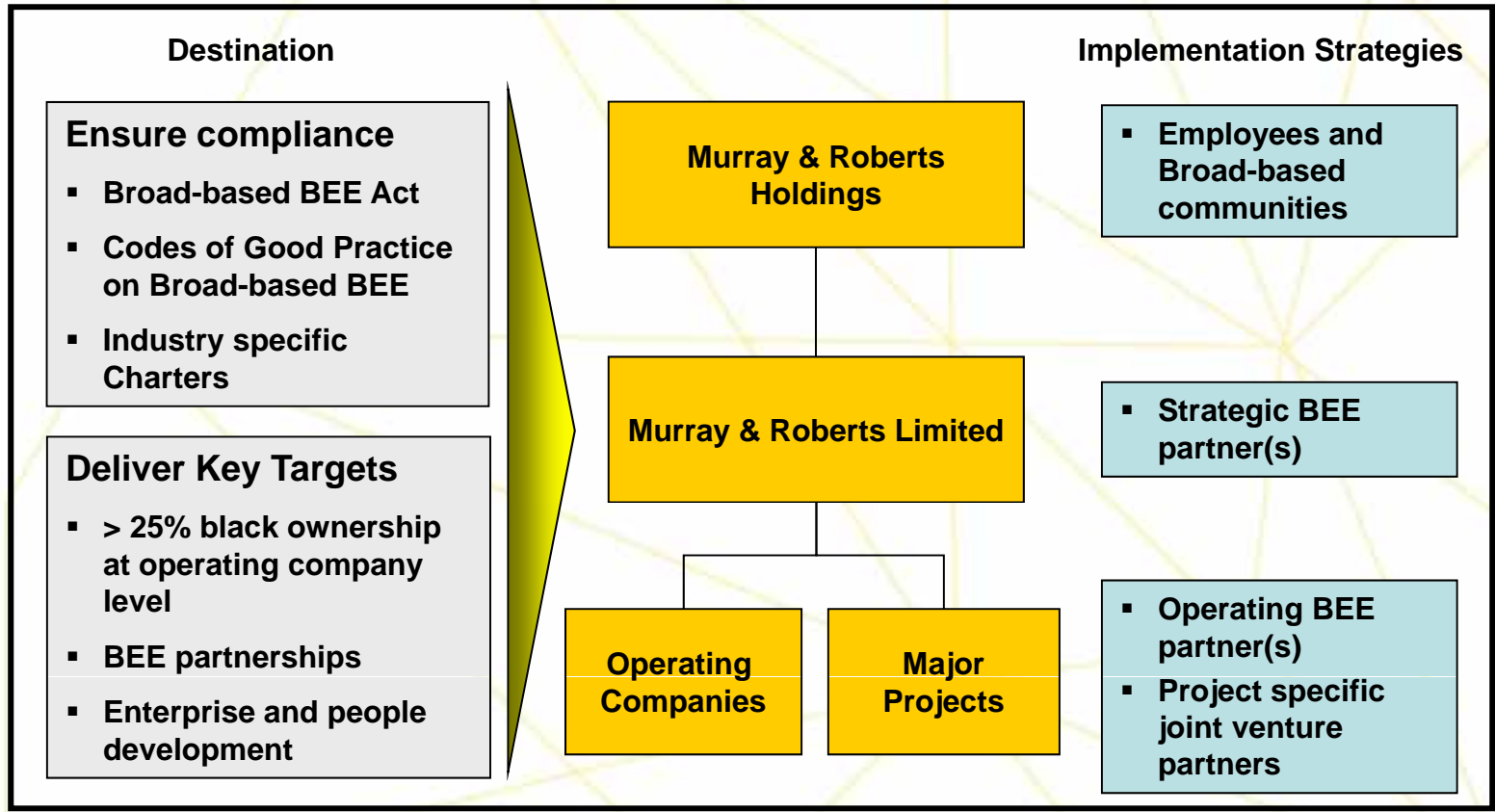
- Market No 3 based in Meyerton
- Effective 1 July 2005 at 80% shareholding for R96 million
- Empowerment shareholding to follow





# BROAD BASED EMPOWERMENT

## PHILOSOPHY

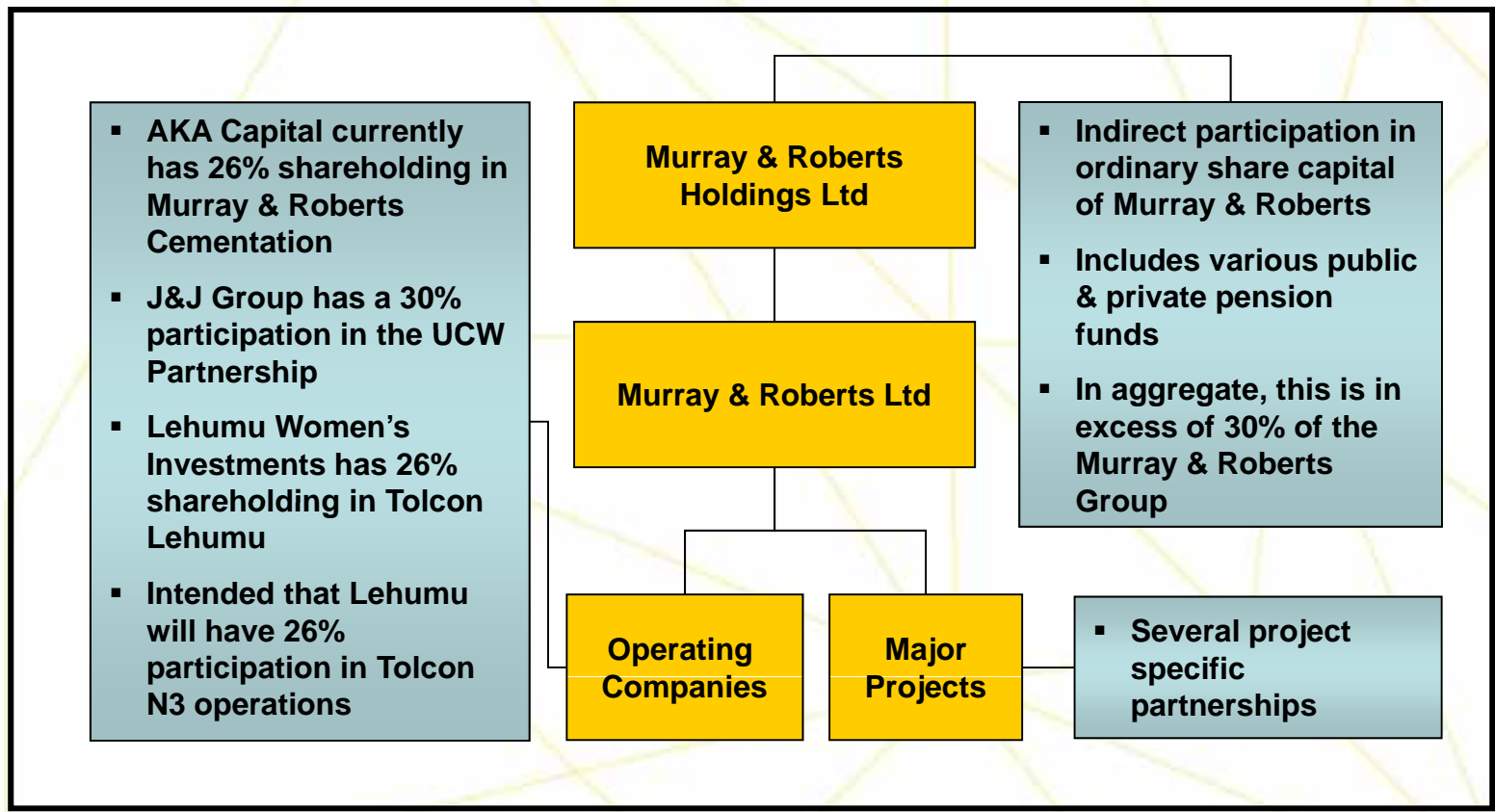


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# EMPOWERMENT

## CURRENT BEE PARTNERSHIPS



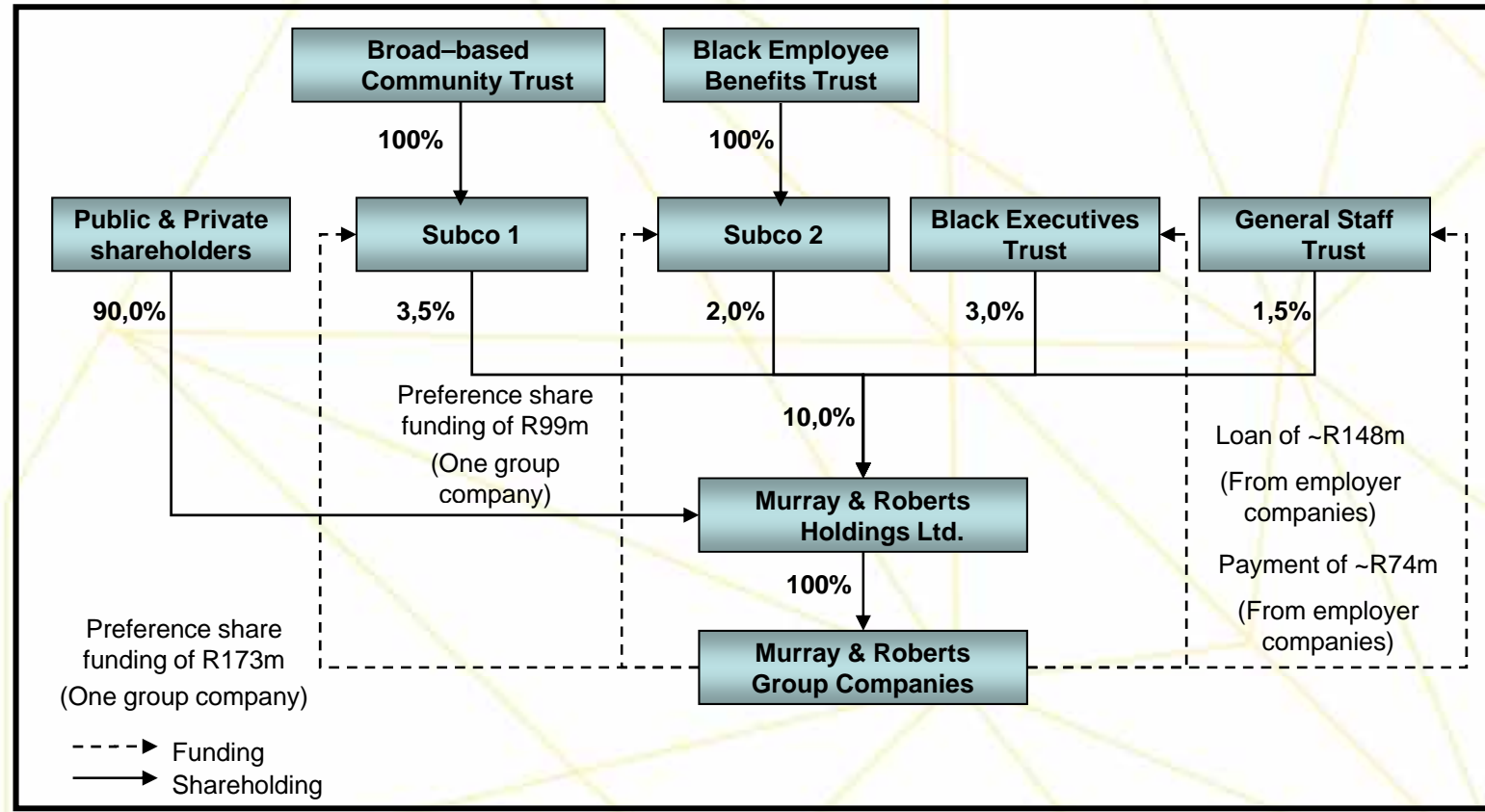
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# EMPOWERMENT

## PROPOSED BROAD-BASED STRUCTURE



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## **RISK MANAGEMENT**

### **GROUP RISK FRAMEWORK**

- **Managing the Risk Appetite of the Organisation and Leadership**

### **OPPORTUNITY MANAGEMENT SYSTEM**

- **Filtering Risk before it enters the Organisation**

### **INTERNATIONAL ADVISORY BOARD**

- **Bringing Global Leadership to the Organisation**

### **HEALTH, SAFETY AND THE ENVIRONMENT**

- **Changing the Culture of the Organisation its People and Partners**



**HEALTH, SAFETY & ENVIRONMENT**

**THE MURRAY & ROBERTS ASPIRATION**

- **Zero harm consequence from our activities on**
  - **our company and clients,**
  - **all people, and**
  - **the environment**
- **Fatalities and permanent disablement benchmarked at zero**
- **LTIFR targeted below a benchmark of 3,0**
  - **with a long-term objective of 1,0**
- **Prepare for comprehensive incident reporting**





**YEAR AHEAD TO 30 JUNE 2006**

**REBUILDING MURRAY & ROBERTS !**



**Globalising Murray & Roberts**

**THE BIG ISSUES**

**GROWTH**

- CAGR > 15% pa

**PERFORMANCE**

- Human Capital
- Systems Capacity
- Unitary Murray & Roberts

**CLOUGH**

- Performance
- Integration

**ACQUISITIONS**

- Construction Economy
- Integration Challenge

**EMPOWERMENT**

- Broad-based Equity
- Executive Leadership
- Capacity Development

**SUCCESSION**

- Group Leadership
- International

**SUSTAINABILITY**

- CAGR Performance
- Citizenship

**MAJOR PROJECTS**

- Systems
- Partnerships



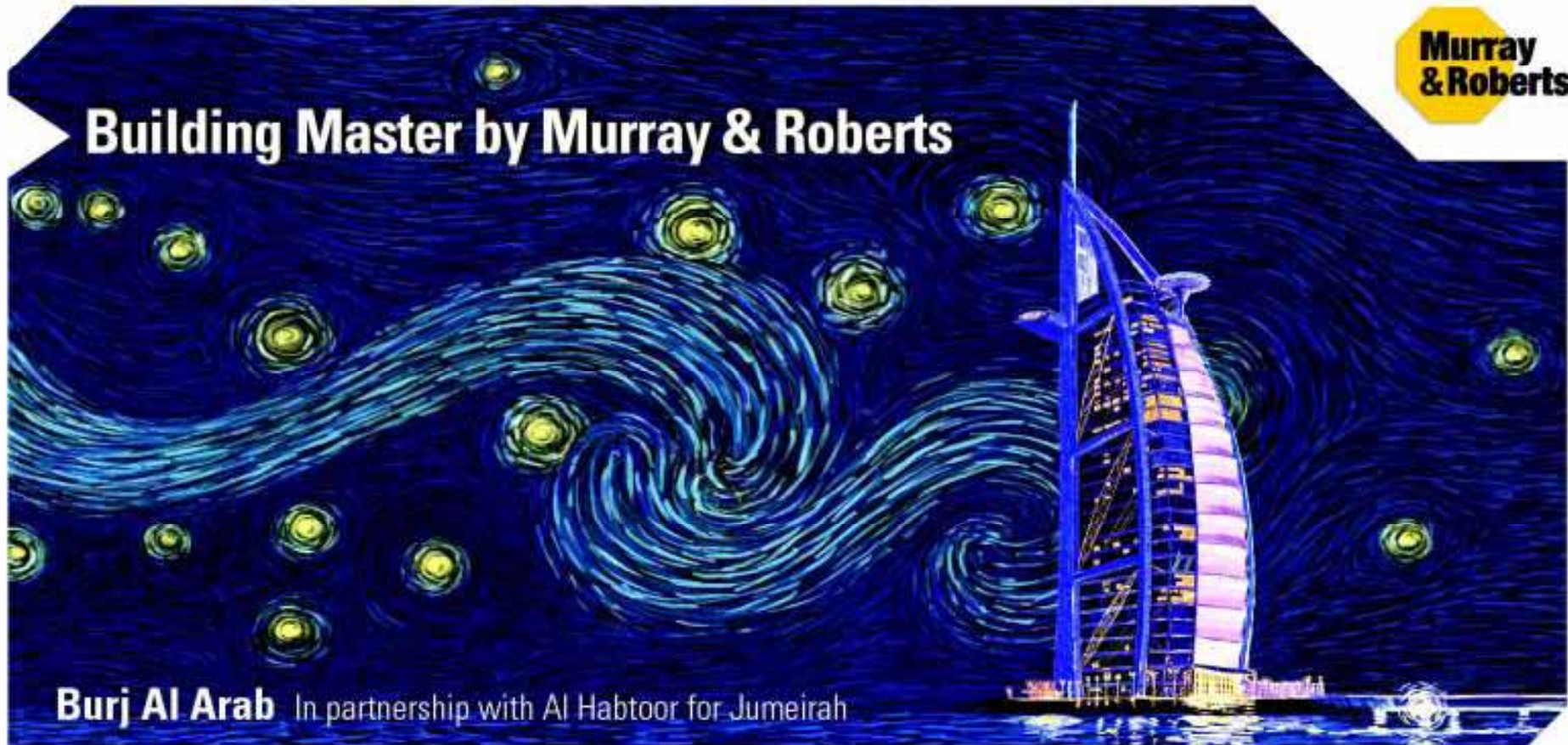
**PROSPECTS**

**The Directors are of the view that the next few years will be positive to the Group and that there will be real growth in headline earnings in the year to 30 June 2006**



**Murray  
& Roberts**

## Building Master by Murray & Roberts



**Burj Al Arab** In partnership with Al Habtoor for Jumeirah

This presentation is available on  
<http://www.murrob.com>



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