

SEPTEMBER 2013

MURRAY & ROBERTS GROUP MAGAZINE

ROBUST.



Clough

Blazing a trail of glory

Africa

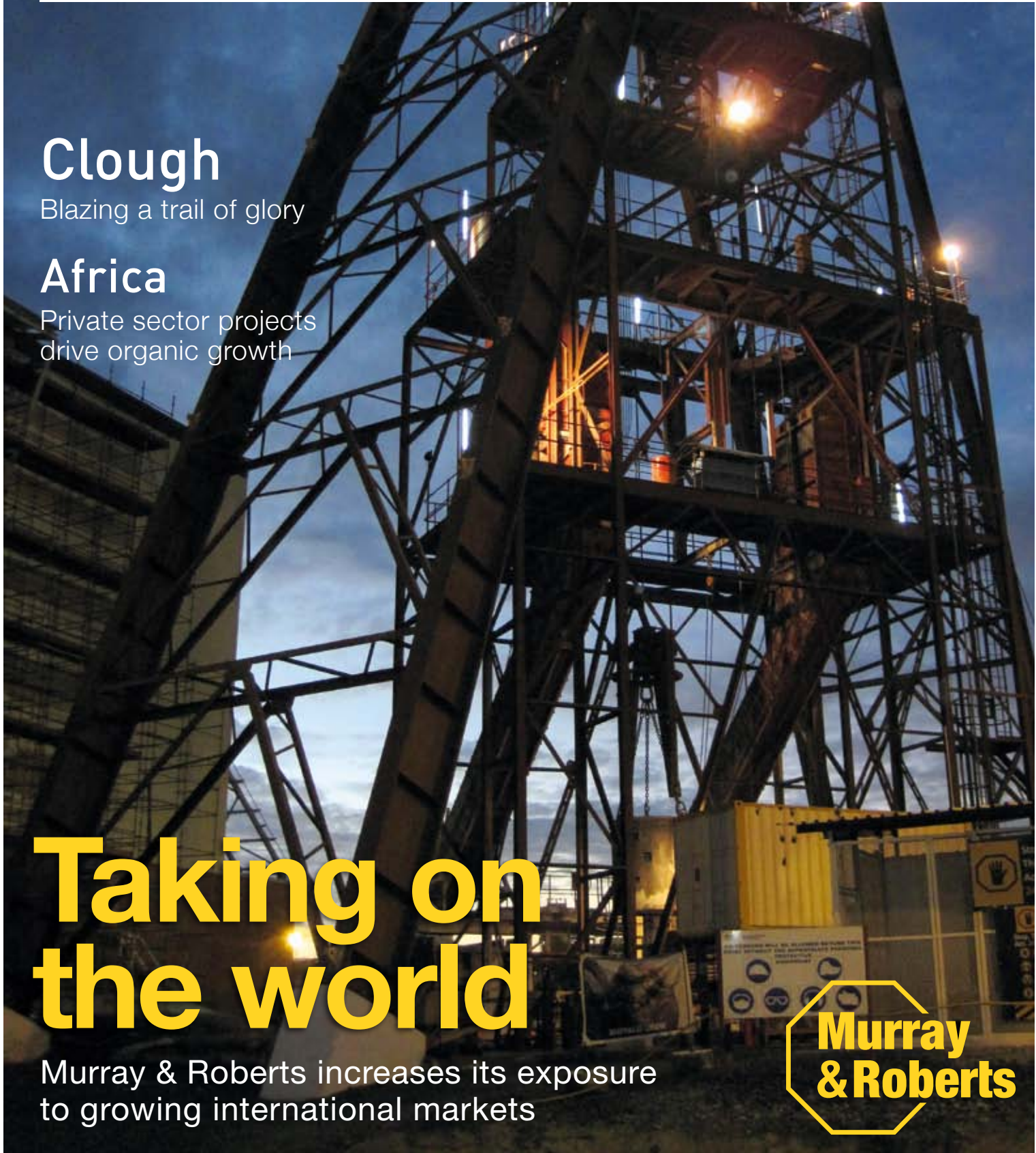
Private sector projects
drive organic growth

Taking on the world

Murray & Roberts increases its exposure
to growing international markets



**Murray
& Roberts**





Cover Mopani Synclinorium Shaft



04 Taking on the world

CONTENTS

EDITOR

Lesley Lambert
E-mail: lesley@wisenet.co.za
Tel: +27 11 325-5388

MURRAY & ROBERTS

Physical Address
Douglas Roberts Centre, 22 Skeen Boulevard,
Bedfordview, 2007, Republic of South Africa

Postal Address

PO Box 1000, Bedfordview; 2008, Republic of South Africa

Tel: +27 11 456 6200
Fax: +27 11 455 2222
E-mail: info@murrob.com

Robust magazine is published on behalf of
Murray & Roberts by Profit Partnership Corporation (Pty) Ltd.
Tel: +27 11 532-4000
Fax: +27 11 646-6040
www.profitpartnership.co.za



DISCLAIMER

Reproduction of *Robust* in whole or in part without express written permission from Murray & Roberts or the publishers is prohibited. Great care has been taken in the preparation of the articles. The editor and publishers cannot accept responsibility for any errors which may inadvertently have occurred. The opinions expressed in this journal are those of the authors and/or persons interviewed, and do not necessarily reflect the views of the editor, publishers or Murray & Roberts.

FEATURE

4 Taking on the world

International operations have contributed to a sound financial performance by Murray & Roberts during the 2013 financial year, reinforcing the wisdom of the Group's increasing exposure to global markets beyond South Africa.

STRATEGY IN ACTION

8 International

Murray & Roberts has announced its intention to pursue 100% of Clough as the Australian-based business reports strong growth in profits in 2013.

10 Regional

A focus on private sector projects in Africa has opened up new opportunities in the mining, power and water sectors.

NEWS

12 Building SA

Murray & Roberts continues to make a significant contribution to the development of world class infrastructure in South Africa.

14 Innovation

Fast-track project delivery at 102 Rivonia Road.

Recycling City Deep.

SUSTAINABILITY

15 Our People

Murray & Roberts is developing its own engineering talent.

New director appointments: Ntombi Langa-Royds and Thokozani Mdluli.



10 Organic growth in Africa



12 Building SA – renewable energy projects



15 Andrew Skudder, Group sustainability director



16 Recruitment and skills development

16 Recruitment and skills development

Men in the Making and Woza Women in the Workplace campaigns support recruitment drives.

A thriving apprenticeship programme at Murray & Roberts Plant.

Clough relaunches its distinguished engineering scholars programme.

17 Safety – Zero remains within sight

Entrenching the belief that it is possible to work injury-free and fatality-free.

17 Rising stars

Siphamandla Baku, a young beneficiary of the Nemato Gymnastics Club, a previous Jack Cheetham prize winner, has been selected to represent South Africa at the Junior World Championships in Bulgaria in November.

COMPETITION

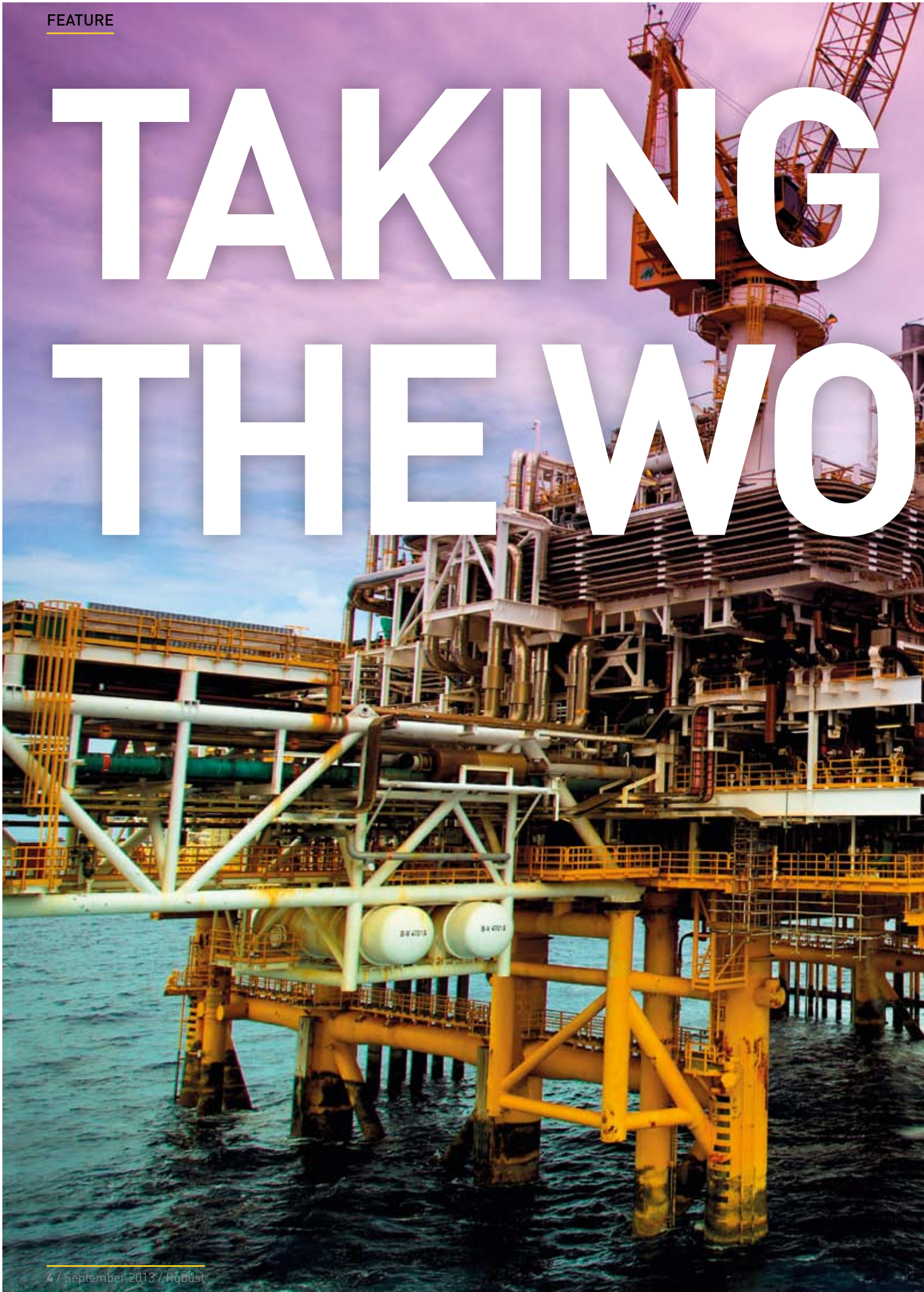
18 Competition

Stand a chance to win two nights' accommodation for two people and experience one of the world's natural wonders.



17 Rising stars

TAKING THE WO



ON RDL

The international operations of Murray & Roberts have shone in a challenging year, reinforcing the wisdom of the Group's increasing exposure to growth markets beyond South Africa.

Murray & Roberts has delivered a sound performance and restored its financial position in the year to 30 June 2013, in spite of severely difficult conditions in its domestic operating environment.

Announcing the Group's results in Johannesburg, chief executive Henry Laas attributed growth in earnings to strong performances by its Australian subsidiary Clough and mining operations outside South Africa. The South African operations were able to staunch losses associated with the cost of relentless industrial action at major project sites and the sustained economic downturn but were only marginally profitable during the period under review.

"These results are consistent with our expectations and they demonstrate the effectiveness of our strategy to focus on our core assets and strengthen our exposure to growing international markets," Laas commented.

"They are also a strong reflection of the determination of our people to return Murray & Roberts to good health and position it for a new strategic future."

In a recent move to strengthen its long-term growth plans, the Group announced its intention to acquire all of the remaining ordinary shares in Clough (it currently holds 61,6%).

Murray & Roberts embarked on a strategy in 2011 to restore financial stability after mounting losses on major projects threatened the Group's future sustainability. Now entering its third year, the Recovery and Growth strategy has achieved all of its milestones to date, restoring financial liquidity and stability, resolving a number of potentially material impact items, including major project claims, and positioning the Group for the next phase of growth.

Clough's Bayu-Undan Offshore Facility, Timor Sea

DISPOSAL OF NON-CORE ASSETS

The past financial year has seen the disposal of non-core manufacturing assets, including the Steel group, Union Carriage & Wagon and all of the businesses in the Construction Products Africa platform with the exception of Hall Longmore, the sale of which is expected to be concluded in the current financial year. Proceeds of approximately R1,3 billion from these disposals have enabled Murray & Roberts to reduce debt in its heavily geared South African balance sheet, contributing to a healthy net cash position of R4,6 billion at 30 June 2013 and providing Murray & Roberts with the means to pursue international investments that offer the best potential for long-term growth.

Murray & Roberts' vision for 2020 is to be the leading diversified engineering and construction group in the global underground mining market and selected emerging markets in the natural resources and infrastructure sectors. The disposal of the Construction Products Africa platform has strengthened the Group's focus on its four remaining operational platforms which operate in regional (African) or international markets.

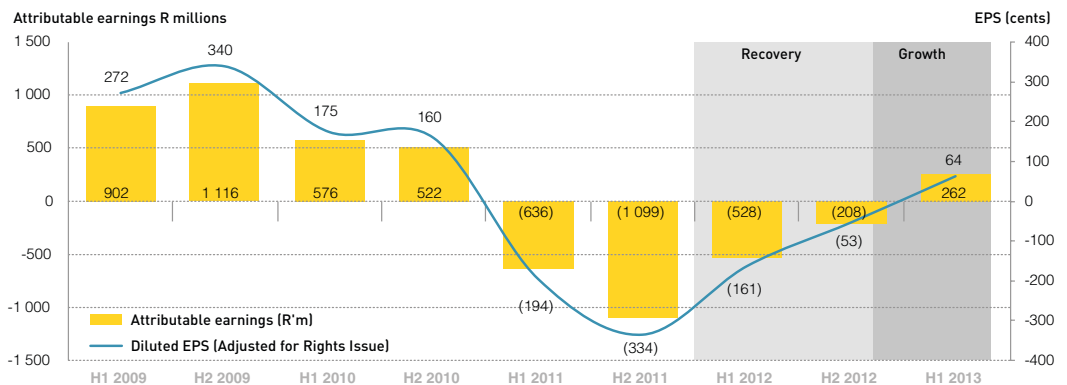
REGIONAL AND INTERNATIONAL POSITIONING

The regionally focused platforms are Construction Africa and Middle East, and Engineering Africa, although there is also opportunity on the continent for the other two platforms. With a strategy to target private sector projects in the metals & minerals, energy and water sectors, Murray & Roberts has identified three regions and is well advanced in the development of hubs to serve them. The Engineering Africa platform has already established a presence in Accra in Ghana to serve west Africa and the Construction Global Underground Mining platform recently opened an office in Kitwe, Zambia to serve central Africa. New projects have been secured as a result of the increased focus on these regions. (Turn to page 10 for more information).

The more significant contributors to future growth will be the two internationally focused platforms, Construction Global Underground Mining and Construction Australasia Oil & Gas and Minerals. These platforms have capitalised on the recent unprecedented growth in infrastructure investment programmes in their targeted market sectors in Australia and Southeast Asia, and they are where the Group will deploy available growth capital in future.

Murray & Roberts' vision for 2020 is to be the leading diversified engineering and construction group in the global underground mining market and selected emerging markets in the natural resources and infrastructure sectors.

GROWTH TRAJECTORY
Murray & Roberts returned to profitability in the six months to 31 December 2012 and has achieved a strong turnaround for the full year.



COMPETITION COMMISSION

WE'RE SORRY

An excerpt from an open letter by Henry Laas in the *Sunday Times* on 21 July 2013:

And for that, on behalf of Murray & Roberts, I have one fundamental response. An unequivocal apology.

Our internal review covered more than 2 500 project tenders submitted by our company over a ten year period (2001 to 2011). The 17 cases of collusive behaviour happened between 2004 and 2007 and largely within the two companies that were acquired by Murray & Roberts in 2006 and 2007. About half of these 17 collusive practices happened before the acquisition dates and the balance largely within the first year after we acquired these companies.

Although we cannot change our past, we can change our future.

Murray & Roberts is a company with a strong value system and it requires ethical business conduct from all its employees. Today I give you a commitment that for as long as I am at the helm of Murray & Roberts, I will ensure that systems and processes are in place that are aimed at preventing anything of this nature happening again.

We have a lot to offer South Africa and we will work hard to restore trust in our sector with all our stakeholders.

We know that through our participation in South Africa's infrastructure development we have the potential to make a great impact on some of the country's biggest challenges; job creation, skills and enterprise development and of course driving growth through the development of infrastructure.

“Murray & Roberts is a household name in South Africa. We have played a significant role in developing the country's infrastructure for more than 110 years and we are fiercely proud of our heritage.

I know that the Competition Commission's findings of collusion in the construction sector have angered and disappointed you, just as they have our board, executives, employees, shareholders and other stakeholders.

RESTORING SHAREHOLDER VALUE

Investors find it difficult to assess the potential of businesses that are over-gearred and in recovery mode and they tend to discount the shares of these businesses to limit their own risk.

Recognising this, Murray & Roberts has worked hard to remove uncertainty and the negative impact this has on shareholder value.

Robust reviews the areas of potential material risk and uncertainty that the Group has resolved or is in the process of mitigating:

Balance sheet strength. Financial stability was restored with a rights issue in 2012 and the disposal of non-core assets has further strengthened the Group's financial position by reducing debt on the South African balance sheet and realising cash for future investment.

Return to profitability. Murray & Roberts returned to profitability in the six months

to 31 December 2012 and has achieved a strong and sustainable turnaround for the full year.

Competition Commission.

Murray & Roberts agreed on a settlement with the Competition Commission for historic anti-competitive practices in 17 projects and was fined R309 million, almost double the profit of R173 million generated by those projects on which the company successfully bid. Threats of related civil actions have not yet been carried out, and if they are, the Group does not believe they will be material.

Major project claims. The market has discounted these and any recovery is upside.

- Murray & Roberts continued to pursue its entitlements in terms of outstanding large claims on the following completed projects in the financial year 2013: the Gorgon Pioneer Materials Offloading Facility (GPMOF) in Western Australia,

the Dubai International Airport and Gautrain. It is expected that the legal and commercial processes on all these claims will be closed out towards the end of financial year 2016.

- The arbitration process on the Gautrain water ingress dispute was concluded in financial year 2012 and a determination is due on 8 November 2013.

South African labour environment.

The impact of sustained industrial action on the Medupi and Kusile projects alone cost Murray & Roberts R160 million in the year to 30 June 2013. A new partnership agreement was reached between Eskom, the contractors and labour in June to stabilise labour relationships on the sites and expedite delivery of the power stations. A commercial agreement was signed between Eskom and the contractors to facilitate claims for costs incurred as a result of labour disruption.

MURRAY & ROBERTS FAMILY PORTRAIT & BUSINESS MODEL

Our core competence is engineering and construction

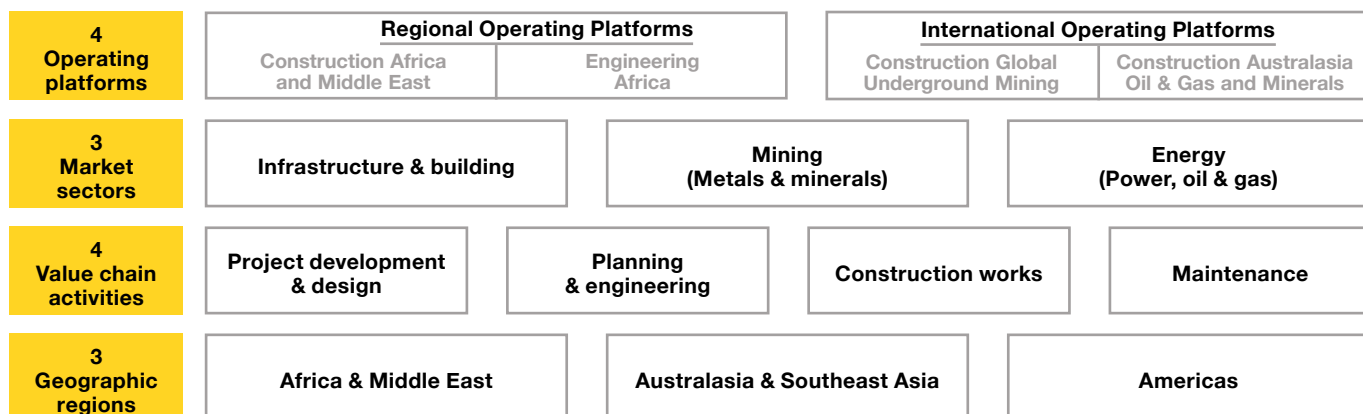
A Group of world class companies and brands aligned to the same purpose and vision, and guided by the same set of values with a common owner, Murray & Roberts Holdings Ltd

Stop.Think.Act.24/7: Safety first in everything we do

Regional Operating Platforms		International Operating Platforms	
Construction Africa and Middle East	Engineering Africa	Construction Global Underground Mining	Construction Australasia Oil & Gas and Minerals

Murray & Roberts Values
Integrity / Respect / Care / Accountability / Commitment

<p>Murray & Roberts Purpose Delivery of infrastructure to enable economic and social development in a sustainable way</p>	<p>Murray & Roberts Vision By 2020 we will be the leading diversified engineering and construction group</p> <ul style="list-style-type: none"> • in the global underground mining market, and • selected emerging market natural resources and infrastructure sectors
--	---



INTERNATIONAL

CLOUGH BLAZES A TRAIL OF GLORY

Clough's group-wide focus on improving its performance has supported strong growth in profits in 2013.

Company initiatives focused on delivery of excellence in project execution, cost efficiency and enhanced productivity have resulted in significant improvements in the performances of all of Clough's operations.

The Australian-based construction and engineering Group has structured its business to optimise project delivery and growth across its four business lines of Engineering, Capital Projects, Jetties and Near Shore Marine, and Commissioning and Asset Support. This has positioned Clough to capitalise on the boom in Australia's oil and gas market. In the past year the business has worked on more than 20 major energy and resources contracts across Australia and Papua New Guinea, including major LNG contracts for Chevron's Gorgon and Wheatstone projects, INPEX's Ichthys project, Santos' Gladstone project and QGC's Queensland Curtis project.

DISPOSAL OF FORGE GROUP

In March 2013, Clough announced the disposal of its 36% investment in Forge Group to Macquarie Capital. Clough CEO Kevin Gallagher said Clough would use the proceeds to deliver shareholder value through strategic acquisitions and capital management.

LAUNCH OF INTERNATIONAL COMMISSIONING BUSINESS


Clough has entered into a joint venture with Coens Energy, a Korean oil and gas manpower and logistics firm servicing the world's largest fabrication yards, to launch Clough Coens Commissioning and Completions.

Clough Coens will provide highly specialised commissioning and completions services to onshore and offshore oil and gas facilities, including drilling rigs and fabricated process equipment manufactured in Korea and China.

The joint venture will deliver a new and innovative project management and execution service to enable oil and gas facilities to be commissioned in the fabrication yard, before carrying out necessary hook-up and commissioning services in the final project location.

"Following the successful acquisition of e2o and the award of major commissioning projects in Australia, Clough has become the market leader in Australia for hook-up and commissioning services. The Clough Coens joint venture creates an international commissioning service model that can be exported globally, recognising that the vast majority of fabrication yard commissioning opportunities will be in Korea and China," said Clough CEO Kevin Gallagher.





Pluto LNG Jetty
Woodside Energy Ltd
Western Australia

Murray & Roberts plans to acquire 100% of Clough

The proposed acquisition by Murray & Roberts of the remaining shares in Clough will further strengthen the Group's position in the key markets it has identified for future growth.

"We have identified energy (oil, gas and power) and mining and minerals as the sectors presenting the best medium-term to long-term growth opportunity, and which will most likely enable us to deliver the returns our shareholders expect," said Henry Laas.

"This proposed transaction is strategically compelling, consistent with our long-term growth plans and the next logical step to fulfil our strategic objectives."

If concluded, the transaction will create a focused international diversified engineering and construction business, leveraging respective capabilities and management competencies across Australasia, Southeast Asia and Africa.

Furthermore, it will also create a strong platform for further expansion of the Group's international business, increasing Murray & Roberts' exposure to target markets which are considered to present long-term growth potential and allowing Murray & Roberts and Clough to better leverage Clough's oil and gas capabilities and expertise into opportunities in Africa.

By acquiring 100% of Clough, Murray & Roberts will secure full control of its operations, assets, cash flow and strategic direction and simplify the corporate and operating structure of the consolidated group. It is expected that the transaction will be immediately earnings per share accretive.

The transaction is subject to:

- Final approval by Murray & Roberts following due diligence
- Negotiation and execution of a scheme of implementation agreement between Murray & Roberts and Clough
- A unanimous recommendation by Clough independent directors in support of the transaction following an independent expert determining that the transaction is in the best interests of Clough.

Murray & Roberts has had a long association with Clough since initially acquiring a shareholding in 2003.

REGIONAL

ORGANIC GROWTH IN AFRICA

Increased focus on private sector projects in Africa has resulted in a number of new contracts in the mining, power and water sectors.

Zambia

Murray & Roberts has established a permanent presence in Zambia with the opening of an office in Kitwe to serve clients in central Africa. Key mining projects currently underway in the country include:

MUFULIRA DEEPS CONTRACT

Mopani Copper Mines (MCM) has awarded Murray & Roberts Cementation the contract to sink a new vertical shaft and develop the related underground infrastructure at the Mufulira Deeps project near Kitwe. The contract is the second awarded by Mopani Copper Mines to Murray & Roberts Cementation which is also providing shaftsinking services for the MCM's Synclinorium project at Nkana copper and cobalt mine.

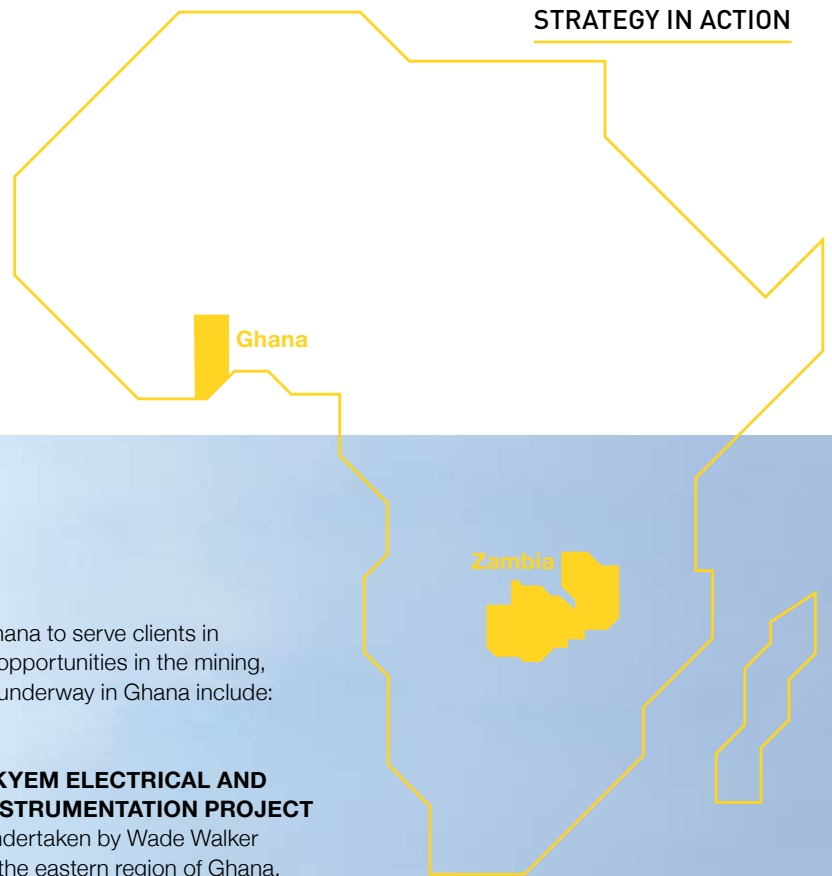
NKANA MINE SYNCLINORIUM SHAFT

Murray & Roberts Cementation was awarded the shaftsinking and equipping of the Synclinorium shaft in Kitwe, Zambia in July 2011 and reached the 700 metre mark early in 2013. The contract is due for completion in June 2015 and is the second largest awarded to the company in Zambia and the first awarded by MCM. The shaft project will establish a hoisting and ventilation facility to extract ore from the Nkana Synclinorium ore body.

LUBAMBE COPPER MINE

Murray & Roberts Cementation was also awarded a decline sinking shaft and underground infrastructure development at Lubambe Copper Mine (formally known as Konkola North) in 2010. The project was completed in October 2012 – well ahead of time and schedule and Murray & Roberts Cementation was awarded follow on development contracts. There are currently four mechanised development crews on the mine doing 1 200 metres of development per month, an average of 300 metres per crew per month.

MCM's Synclinorium project at Nkana copper and cobalt mine



Ghana

The office established by Murray & Roberts in Accra in Ghana to serve clients in west Africa is bustling with activity as the Group pursues opportunities in the mining, infrastructure and oil and gas markets. Projects currently underway in Ghana include:

GOLD FIELDS TARKWA PROJECT

Awarded to Murray & Roberts and subcontractor NuWater in August 2012, the Tarkwa project involves the provision of two rapidly deployable modular plants. One plant is at the South Heap Leach treating 2,7MI/d and the other is at the North Heap Leach treating 7,2MI/d for the Tarkwa mine operations in Ghana. Murray & Roberts and NuWater were able to structure a flexible commercial solution that met the needs of Gold Fields based on a combination of rental and sold plants, as well as operation and maintenance services.

AKYEM ELECTRICAL AND INSTRUMENTATION PROJECT

Undertaken by Wade Walker in the eastern region of Ghana, the project has proceeded in two phases: early works and construction power and a process plant. It has involved 235 km of cable racking supports, 75 km of small power and lighting cabling, a 19 km overhead power line and 230 electrical field devices.

TROJAN POWER PRE-FEASIBILITY STUDY FOR TWO 45 MW GAS TURBINES

Murray & Roberts was awarded the pre-feasibility study in June 2013. The client, Trojan Power, currently operates a diesel power plant in the coastal city of Tema in Ghana. Murray & Roberts companies in the Engineering Africa platform are assisting with project management, engineering and construction planning in the conversion of the plant to a dual plant, using diesel and gas. Electricity produced from the upgraded plant will be supplied to the Volta River Authority.



Gold Fields Tarkwa project

BUILDING SA

RENEWABLE ENERGY PROJECTS

Murray & Roberts Construction, in joint venture with Consolidated Power Projects, has been awarded the civil and electrical works, including construction of a new sub-station for the new 138 MW **Jeffreys Bay wind farm**.

This is the second largest wind project to have been awarded in the first round of South Africa's Renewable Energy Independent Power Producer Programme (REIPPP). It is located between Jeffreys

Bay and Humansdorp in the Kouga local municipality and will involve the deployment of 60 Siemens SWT 2,3 MW wind turbines, each with a rotor diameter of 101 metres.

In total, 1 415 MW of capacity was allocated to 28 wind and solar projects after the first bidding round, with 633,99 MW allocated to wind developments. The 20-year power purchase and implementation agreements for the first round of projects were signed in November 2012 and Eskom will buy power from the first eight wind farms for R1,14/kWh.

A consortium comprising Globeleq, Mainstream Renewable Power, Old Mutual, Thebe Investment Corporation, Enzani Technologies and Usizo Engineering, as well as a local community trust is developing the project.

The Jeffreys Bay wind farm is expected to generate 200 jobs during construction and 11 permanent operation and maintenance jobs over the 20-year life of the facility.

101 metre
rotor diameter

Siemens SWT
2,3 MW wind turbine



The Jeffreys Bay wind farm is expected to generate 200 jobs during construction and 11 permanent operation and maintenance jobs over the 20-year life of the facility.

Jeffreys Bay wind farm



Bay West Mall, Port Elizabeth

SHOPPING MALLS

Murray & Roberts is the primary contractor for the construction of the R2 billion **Bay West Mall** in Port Elizabeth which has commenced operations.

The 87 500 m² mall located on the Western side of Port Elizabeth is expected to offer significant economic benefits to the region. It is a joint development between the Billion Group and Abacus Asset Management.

The project is expected to create about 10 000 direct and indirect jobs during construction and an estimated 1 500 permanent jobs will be created to staff 250 retail outlets after the mall opens early in 2015.

Murray & Roberts Buildings MD Alex Boyazoglu says the mall was a key project for the Group which is also currently involved in the construction of Cape Town's tallest building, Portside.

Murray & Roberts Buildings commenced work on the construction of the R1 billion **Matlosana Mall** in Klerksdorp earlier this year.

Located at the eastern entrance to the town, the 65 000 m² mall project will create 2 000 jobs during construction and an estimated 1 200 permanent jobs once the mall opens in October 2014.

Developer, Abacus Asset Management, has undertaken to use local contractors and developers where possible.

Matlosana Mall, Klerksdorp



PROJECT DELIVERY

INNOVATION

Setting the bar high on a fast-track project

102 Rivonia Road

Murray & Roberts Buildings has put itself to the test. It has undertaken to deliver a complex, state-of-art office towers project at least three months ahead of the time its competitors estimated it would take. And so far, so good, on the prestigious 102 Rivonia Road project in Sandton, Gauteng.

“The most impressive aspect about this project is the timeframe. We said we could do it in 19 months, and the market said it would take 22 months,” says Murray & Roberts Buildings commercial manager Ernest Stanley. “We started work on 20 June 2012, and are due to finish construction on 31 January 2014.”

But why push themselves to the limit? “We wanted to prove that we could deliver the project within the timeline required by the client. The client wanted the project to be completed as soon as possible, and we believed this was achievable,” he adds of the R578 million development for Eris Property Group and professional services group Ernst & Young.

But 102 Rivonia Road is not a simple project. The building design is elaborate and the site is cramped with restricted access, meaning there is very little lay-down area for plant and materials. The shape of the building is unusual which makes the complex design difficult to construct. At its peak, there will be some 1 200 personnel on site.



The ‘can-do’ approach to looking for solutions and delivering on them has laid the foundation for good working relationships and is contributing towards Murray & Roberts’ goal of becoming the contractor of choice for future projects.

So how is all this being achieved in the tight timeframe? The key, Stanley says, is excellent leadership and an outstanding and dedicated team, as well as extremely detailed planning and programme management. “We have expanded the programme to detail absolutely every activity and monitor each one carefully.” This level of detail is new, and the monitoring approach is novel too.

Early delays, along with the nationwide transport strike, pushed the initial schedule out by a full 28 days. “As the end date of the Ernst & Young building is critical for their office relocation, the client approached us to accelerate the works and recover time lost, knowing full well that we had very little float within our programme to accommodate such a request,” says Stanley. The only option was a full-night shift with 24/7 crane operating time. “We promptly implemented a night shift of around 250 workers between October 2012 and March 2013, and this brought the project swiftly back on track,” he adds.

Recycling City Deep

Concor Civils is doing its bit for the environment by recycling old concrete pavements at the City Deep container terminal in Gauteng.

The recycling is part of its work to upgrade and replace 144 000 m² of cracked, ageing pavements at the container depot – known as the largest dry port in the world as it is hundreds of kilometres from any navigable water.

“We are breaking up and reusing 86% of the old worn concrete pavements at City Deep,” says Concor Civils contracts manager Pierre van Vuuren about the project for state transport utility Transnet. “In total we are reusing approximately 123 840 m² of concrete, which would otherwise just go to landfill. This old pavement will be crushed and reused as base and sub-base quality aggregate,

categorised in South Africa as Class G3 and G5 pavement layers.”

Apart from its clearly positive impact on the environment, by reusing the old pavement, a great deal of money is being saved. “We estimate that it saves about R13,8 million that would otherwise have to be spent on new aggregate and on transport,” says Pierre.



Andrew Skudder,
Murray & Roberts Group sustainability director

OUR PEOPLE

Homegrown talent

The shortage of engineers in Africa – and in most parts of the world – is a widely recognised obstacle to infrastructure development and economic growth. Murray & Roberts is taking action to develop its own talent.

New Appointments



Nomalizo (Ntombi) Langa-Royds

was appointed an independent non-executive director of Murray & Roberts Holdings on 1 June

2013. She will also serve as chairman of the Social & Ethics committee and a member of the Remuneration & Human Resources committee.

Ntombi has BA (Law) and LLB degrees from the National University of Lesotho and owns Nthake Consults, a human resources consultancy. She has extensive experience in human resources management gained as director of human resources at Independent Newspapers, SABC and Bevan division of Nampak. Ntombi is a non-executive director of African Bank Investments, Mpact and Pretoria Portland Cement.



Dr Orrie Fenn has been appointed executive responsible for the Construction Global Underground Mining Platform following the

retirement of Peter Adams and the disposal of the Construction Products businesses. He resigned from the Board with effect from 1 June 2013 due to the change in his executive responsibility.



Thokozani Mdluli

was appointed a director of Murray & Roberts Limited on 1 July 2013. Thokozani will continue to lead the Group's health, wellness, safety

and environmental function and will work with Andrew Skudder on the Group's broad-based black economic empowerment strategy.

To ensure it has adequate engineering capacity, Murray & Roberts actively recruits and develops engineering graduates. The Group's Graduate Development Programme is geared for a range of engineering disciplines.

"With the skills shortage, it's very important that we build our own talent because it's difficult to find engineers in a competitive marketplace," says Group sustainability director, Andrew Skudder.

"We want them to understand our purpose, values and mission from the very beginning."

STRENGTHENING PROJECT MANAGEMENT CAPACITY

The construction and engineering industry also encounters skills shortages in project management – a critical skill for Murray & Roberts and other contractors as their success depends on the favourable outcome of the projects they work on.

"The scale of the projects that we carry out, particularly for Government and state-owned entities, pushes our project management capacity to its limits and can cause major risk to our project managers," says Skudder.

Because a large part of project management skill is experiential, Murray & Roberts believes in giving young graduates the opportunity to manage projects early in their careers under the tutelage of experienced project managers.

While technical project management experience is invaluable, these individuals also need to be good leaders. "We're focused on enhancing the leadership capabilities of all our managers, but

specifically project management because that represents the pinnacle point of our business."

CREATING EMPLOYMENT AND DEVELOPING CRITICAL ARTISAN SKILLS

Artisanal skills are also in short supply.

"Finding riggers, boilermakers or welders is a continuous challenge," says Skudder. "But it presents a huge opportunity for the employment and development of people. The solution is that we need to improve FET (Further Education and Training) colleges, as well as internal skills training within organisations."

Organisations like Murray & Roberts need to support the transformation of the education system in South Africa as learners from secondary schools become the talent pool that feeds into tertiary institutions.

"We need an ongoing effort to improve the quality of education – our maths and science teacher competencies in particular. As a society, we need to

Murray & Roberts believes in giving young graduates the opportunity to manage projects early in their careers.

develop the right quality of teachers and retain them in their profession.

"And we need a greater focus on early childhood development, especially on numeracy and literacy in the schooling path," Skudder concludes.

Based on an excerpt from an article published in Business Day Empowerment, 1 July 2013

RECRUITMENT

Men in the Making

Murray & Roberts introduced engineering as a career option to 20 grade 11 and grade 12 school boys from Jeppe Boys and Rand Tutorial College on 6 May.

In support of Tracker's 'Men in the Making' campaign, the boys were addressed by Concor Engineering project manager, Christo Erasmus, who spoke about his journey as a young engineer, and they were taken on an excursion on the Gautrain.



Murray & Roberts hosted a stand at the 2013 Career Expo in Delmas

“As an engineering firm we are always looking for young individuals with the potential to work in this industry.”

Donique de Figueiredo,
corporate social responsibility manager

Woza Women in the Workplace



On 30 May, 18 school girls in grades 11 and 12 from the Dominican Convent were hosted by Murray & Roberts in support of Cell C's 'Take a Girl Child to Work' campaign.

The girls experienced Gautrain and as part of a full programme, had an opportunity to interview Concor Engineering project engineer, Sarah Kajula about her career and what it takes to become a mechanical engineer.

Commenting on Murray & Roberts' participation in these campaigns, corporate social responsibility manager, Donique de Figueiredo said: "As an engineering firm we are always looking for young individuals with the potential to work in this industry. Since joining the campaigns we have extended our reach, not only to the more rural parts of South Africa but also in Gauteng. We realised that students in the province weren't necessarily aware of what we do as a company, and this has been a great way to show them."

The new Baobab training centre at Douglas Roberts Centre

A conducive space for learning

Murray & Roberts opened the doors to its new Baobab training centre on the ninth floor of Douglas Roberts Centre in March 2013. The training centre combines all corporate and operational training and leadership development activities in one venue at the Group's head office in Bedfordview, and the beautiful contemporary space with elements of African design (including the iconic Baobab tree) lends itself to learning and hosting of key corporate events. The Baobab centre bustles with activity and in July alone it hosted 1 046 people.

Skills development

- Murray & Roberts Plant is running a thriving apprenticeship programme aligned with section 13 of the Manpower Training Act 56 of 1981, with about 30 apprentices currently enrolled at various stages of the four-year programme. Four different apprenticeships are on offer: earthmoving equipment mechanics, auto electrics, boiler making and heavy current electrics.
- Clough has re-launched its engineering scholars programme after an eight year sabbatical. Initiated by the son of founder, Harold Clough, the programme has awarded more than 200 scholarships to the brightest engineering students in Western Australia. Clough will award four scholarships per annum to top students in the first and final year of their Masters of Professional Engineering degree with the University of Western Australia.



**Stop. Think.
Act. 24/7**

SAFETY

Zero is possible

On 17 April, Murray & Roberts completed a full year without a fatal incident. This was a significant achievement and the first in the Group's history.

This milestone followed closely on the heels of a record lost time injury frequency rate of 0,81 which was achieved in February 2013.

Commenting on the achievements, chief executive Henry Laas told staff: "This exceptional performance was made possible by all Murray & Roberts employees and subcontractors. On behalf of the Board, I want to thank you for your dedication and hard work towards the achievement of these results. You have demonstrated that Zero Harm is indeed possible at Murray & Roberts and it reinforces our belief that all incidents are preventable."

Unfortunately, Murray & Roberts has suffered two fatalities in the past financial year since these achievements. On 26 April the Group lost Gil David Macamo in a rock fall incident. David worked as a grout operator for Murray & Roberts Cementation's mining services contract at Lonmin Platinum's Karee 3 Shaft. On 23 May, Simphiwe Tomsana was fatally injured when he was caught between a moving pipe and a stationary shot blast cabinet at Hall Longmore's Duncanville Plant.



Rising Stars

Siphamandla Baku, a gymnast from the Nemato Gymnastics Club has been selected to represent South Africa at World Age Groups (Junior World Championships) in Bulgaria in November.

The Nemato Gymnastics Club and the Nemato Rowing Club have been previous prize winners in the Murray & Roberts Jack Cheetham Memorial Award. The gymnastics club started in 2009 and Siphamandla was immediately identified as a talented tumbler. The club approached coach Mandy Zooneynd in Port Elizabeth and recommended that Siphamandla be trained to compete internationally. He won a gold medal in the level 4 tumbling category of the South African Championships in 2012 and was placed first in trials for the 2013 World Age Groups.



African adventure



The colonial-styled, four-star David Livingstone Safari Lodge & Spa is situated 5km from Zambia's tourist hub, Livingstone, and 10km from the splendid Victoria Falls. Known as Mosi-oa-Tunya, the Smoke that Thunders, the falls are one of world's most impressive natural wonders while Livingstone is known as Africa's adventure capital.

David Livingstone Safari Lodge & Spa offers 77 tastefully decorated en-suite rooms along the banks of the Zambezi River. Five rooms are suites, four are inter-leading and ideal for families and two comfortably accommodate the disabled. All rooms have private balconies where guests can enjoy their early morning tea or a leisurely sundowner overlooking the river. The lodge also offers a variety of safari excursions and activities in and around the falls.

Dining on either side of the Pool Deck or on the Gwembe Terrace right on the Zambezi river bank offers a wonderful



Experience one of the world's natural wonders

TOTAL VALUE:

R12 000



COMPETITION

gastronomic experience. This is a relaxed and casual meeting place where guests can sit back and watch the magnificent African sunset while sipping cocktails and nibbling on local offerings.

The traditional Kalai Restaurant promises contemporary meals and mouth-watering Afro-Arabian fusion dishes. The style of cuisine is fresh flavoured, aromatic and healthy. Manned by friendly and attentive chefs, the exciting, interactive buffet will delight you with its array of sumptuous dishes.

Bar butlers at the Ujiji Bar will tempt you with their unique cocktail-making skills and

there is a wide selection of South African and international vintages for those with a palate for wine.

The Lady Livingstone is a luxurious 144-seater, three-deck river cruiser designed to accommodate groups and individuals. The lower deck accommodates 78 people, the middle deck 46 people and the upper exclusive deck accommodates 20 people. From here, guests can truly experience Africa in a unique style; cruising the mighty Zambezi River.

The lodge's many facilities include a fully-equipped conference centre that is capable of hosting all group sizes.



For more information visit: www.thedavidlivingstone.com

PRIZE
details are:

- Two nights' accommodation for two people sharing, on a dinner, bed & breakfast basis
- A sunset cruise for two people on the magnificent Lady Livingstone
- Return airport transfers for two persons – Livingstone International Airport

ENTRY FORM: ROBUST/DAVID LIVINGSTONE SAFARI LODGE & SPA SEPTEMBER 2013 COMPETITION

Answer the easy question, complete the entry form and send to Murray & Roberts Competition, PO Box 1151, JHB 2000 – to reach us before 29 November 2013. You can also fax to (011) 646 6040 or e-mail competitions@propart.com (remember to put Murray & Roberts Competition in the subject line).

Name: _____

Phone number: _____

Question: Which company is Murray & Roberts seeking to acquire 100% of? _____

* Strictly one entry per person

The prize is subject to availability. Terms and conditions apply. Prize courtesy of David Livingstone Safari Lodge & Spa.

Murray & Roberts Child Welfare has been in existence for over **60** years. The aim of the fund is to support underprivileged children of South Africa.

How can you make a difference?

Employees

1. Complete Murray & Roberts Child Welfare Fund Pledge Form (available on Interchange)
2. Indicate the monthly contribution to pledge and sign form
3. Submit to your payroll administrator and send a copy of the form to child.welfare@murrob.com

Public

Please email child.welfare@murrob.com for more information

The fund has been able to support charity organisations throughout the country with donations such as;

- Educational toys
- Clothing
- Medical supplies
- Building supplies and maintenance
- Kitchen equipment
- Eye testing clinics
- Christmas gifts
- Computers
- Vegetable garden
- Beds and blankets

For more information about the fund please email: child.welfare@murrob.com

