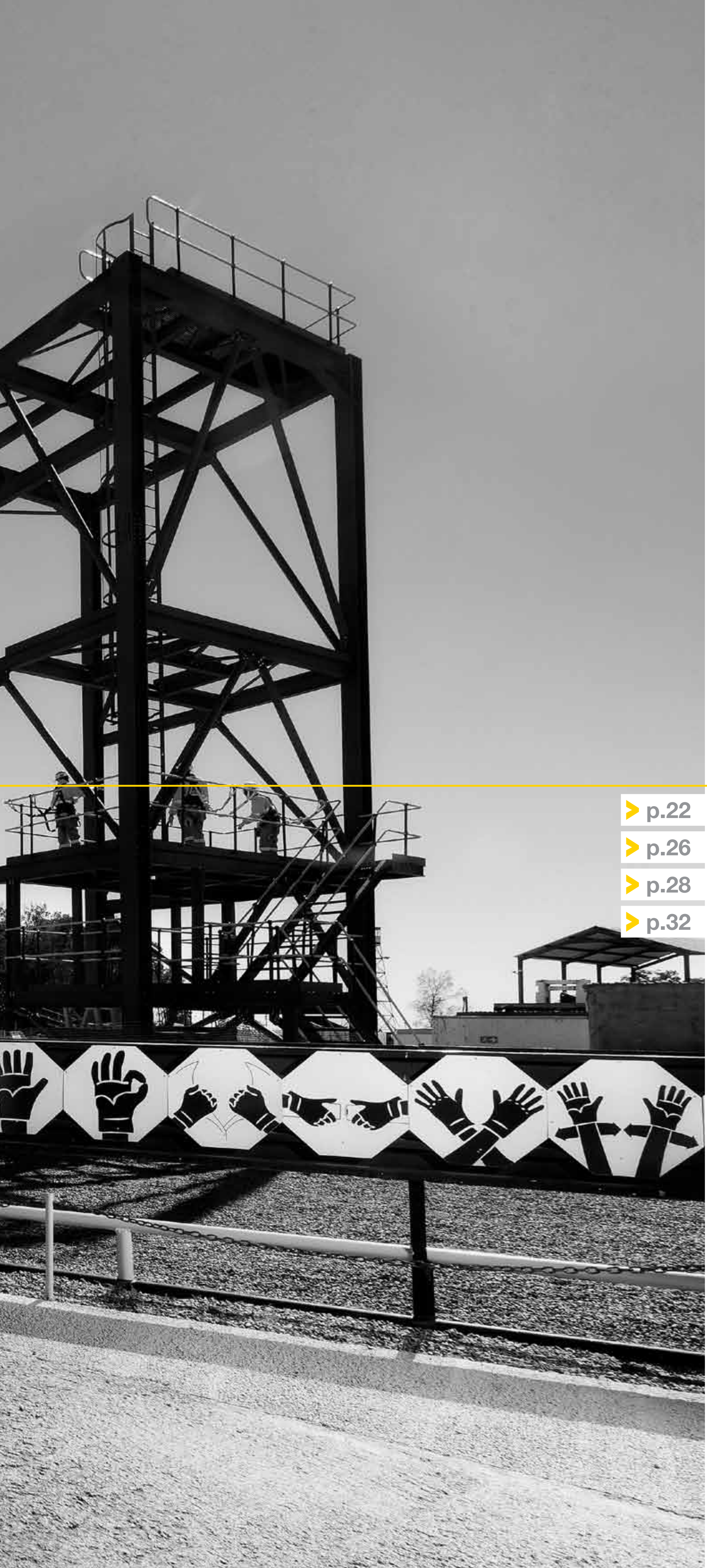
BASED AT **BENTLEY PARK, CARLETONVILLE**, THE MURRAY & ROBERTS CEMENTATION TRAINING ACADEMY IS A LEADING PROVIDER OF SHAFT-SINKING, MINERAL EXCAVATION, BASIC ENGINEERING AND HEALTH AND SAFETY TRAINING AND IS ACCREDITED BY THE MINING QUALIFICATION AUTHORITY.

LEADERSHIP REVIEW



CHAIRMAN'S STATEMENT

MAHLAPE SELLO

DEAR STAKEHOLDER

It is my pleasure to present to you my first report as chairman of the Murray & Roberts Board, succeeding my long-serving predecessor, Roy Andersen, in March 2013. I have been a non-executive director since 2009.

FROM RECOVERY TO GROWTH

In the years preceding the appointment of the current executive leadership, shareholder value was significantly eroded, to the point where a substantial rights issue was undertaken in April 2012 to support the Group's balance sheet. The lack of liquidity which was at the centre of this erosion of confidence and value, was a result of ongoing disputes with four major clients, two in South Africa, one in the Middle East and one in Australia, over settlement of claims on projects.

The Recovery & Growth strategy, developed two years ago by the incoming executive team, committed Murray & Roberts in the first instance to stabilising the organisation, resolving the outstanding claims issues, and addressing and rectifying the root causes in the organisation of these problems (the Recovery phase). The implementation of this strategy has involved an end-to-end review of procedures and systems in bidding processes, risk management, contract execution and claims identification and processing, matched by parallel processes in the human capital areas of talent identification, skills retention, development and training.

From that foundation, which is still a work in progress, the Growth part of this initial strategy has commenced. Specifically, during FY2013, we exited all our Construction Products Africa manufacturing businesses, which had been identified as being "ex-growth", with a view to returning focus to our core competencies of engineering and construction. The receipts from these disposals will be applied to the real growth prospects visible in the engineering and construction disciplines in our target markets.

As the Recovery processes bed down, and with the first part of the Growth phase being underway, Henry Laas and his team are already looking forward to the New Strategic Future for the Group, for the period beyond FY2014.

THE ACHIEVEMENTS OF FY2013 SHOULD CREATE CONFIDENCE THAT THE GROUP HAS THE RIGHT LEADERSHIP, STRUCTURES AND PLANS IN PLACE TO POSITION MURRAY & ROBERTS FOR A MOST EXCITING AND REWARDING FUTURE

This bold new vision stands on three legs:

First, and obviously, the simple-in-concept but tough-in-delivery notion of reversing the five-year long history of lots of effort and no returns in our South African construction endeavours is being vigorously addressed.

Secondly, and equally obviously, sub-Saharan Africa should be considered as "our back yard" in terms of being a logical place to build on our core competencies. We are late but enthusiastic participants here.

Thirdly, we have skills and resources which are global in their capabilities and reach, primarily in the oil & gas sphere and in underground mining which will stand the Group in good stead.

In terms of near-term potential for the Group we have to recognise that growth in South Africa is primarily a function of the nation's investment in infrastructure, and growth in sub-Saharan Africa; while exciting in the long-term, this growth will be off a very low base.

The near-term opportunities for the Group lie in the oil & gas and underground mining spheres. Shareholders will have noticed the dynamic performances of our oil & gas related engineering efforts in Australia, and our underground mining operations in Canada and the USA. The Board shares management's view that, while the regional opportunities closer to home develop, these international opportunities will be the primary drivers of shareholder value for the moment.

The Group has been a shareholder in Clough Limited, listed on the Australian Stock Exchange, for the past 10 years. We are currently in the process of acquiring the remaining 38,4% of Clough's shares, with a view to consolidating our position in the oil & gas engineering and construction field. The potential to combine our local skills and resources with Clough's specific expertise in order to partake in oil & gas projects in Mozambique and other African countries has not gone unnoticed.

ETHICAL CONDUCT

In June 2013 we entered into a settlement agreement with South Africa's Competition Commission, in terms of its Fast-Track Settlement Process, relating to Murray & Roberts' role in historical anti-competitive practices in the construction industry.

Murray & Roberts rejects any form of anti-competitive or collusive conduct. The Board and management have been decisive and thorough in investigating and reporting past malfeasance, and in implementing measures to ensure this does not happen again. These decisive steps played a pivotal role in my decision to accept the chairmanship in the middle of the Competition Commission's investigations.

Murray & Roberts is a well-recognised name in South Africa. We have played a significant role in developing the country's infrastructure for more than 110 years, and we are proud of this heritage. We accept that the Competition Commission's findings of collusion in the construction sector have angered and disappointed South Africans in general and our own employees, shareholders and other stakeholders in particular. For this, and on behalf of the Group, I echo earlier public statements by Henry Laas, our Group chief executive officer, and unreservedly apologise. Murray & Roberts is a Group with a strong value system that requires ethical business conduct from all its employees.

LOCAL MARKET OVERVIEW

Murray & Roberts is proud of its South African heritage. Notwithstanding the current contribution made to profits by our international operations, our South African operations account for some 80% of our employees and 30% of our turnover. When we turn revenue into profits we will be able to derive substantial value from operating in our home country for decades to come. We are making every effort to do this and we stand ready to contribute to the national good by delivering

CHAIRMAN'S STATEMENT CONTINUED

infrastructure that supports and enables sustainable economic and social development.

That said, it bears mentioning that socio-political uncertainties in South Africa are likely to continue weighing on the local prospects of the Group for at least the short term. As with all contractors in the civil construction and engineering fields, the effects of labour unrest and a challenging industrial relations environment have impacted negatively on the Group and will continue to do so until lasting solutions are found.

The Group wishes to participate actively in new public sector infrastructure investment in South Africa, but the reality is that there is limited opportunity to do so. Our detailed analysis of current engineering and construction opportunity from the publicly communicated Government spend, generally reported to be in the region of R800 billion, indicates that much of this consists of funds that have either already been committed, or that have been earmarked for the manufacturing sector, or are part of projects already under construction. It follows therefore that diversifying and growing our business in regional and international markets is of the utmost importance.

Policy certainty is essential both for investment and to put South Africa on the growth path that will unlock its human and social potential. The National Development Plan ("NDP") provides the framework for this certainty in mapping out a coherent vision and strategy for the country to the year 2030. We welcome recent announcements from the Presidency that the implementation of the NDP cannot be delayed any further.

To the extent that concerns of anti-competitive behaviour within the construction sector might have delayed or deterred the implementation of Government infrastructure expenditure, we hope that the conclusion of the Competition Commission process will provide a basis from which to restore trust in our sector. This is obviously necessary if we are to embark as a country on this important national endeavour.

TRANSFORMING AND EMPOWERING PEOPLE

Murray & Roberts has embraced the philosophy that while broad-based transformation and employment equity are moral, social and legal imperatives, they are also economic imperatives that will shape our Group's future within the South African context.

The Group has admittedly been somewhat slow in turning these words into actions, but the matter is now firmly "up front and centre" and real progress will follow. The diversity, talent and commitment of our employees will be critical to helping the Group navigate an increasingly demanding business environment, and our growing investment in human capital will underpin these imperatives.

TOGETHER TO ZERO HARM

The past year has seen a significant reduction in our injury rates. The Board deeply regrets the death of two employees resulting from fatal injuries sustained while on duty. We are saddened by the occurrence of these incidents which arose despite our concerted efforts to reduce our injury rates. The Board extends its heartfelt condolences to the families, friends and colleagues of the deceased.

Across the Group, lost time injury and total injury rates declined and, most encouragingly, management at all levels stepped up their emphasis on safety. This outcome was made possible by the continuous commitment to safety by all Murray & Roberts employees, and the progress made in implementing the *Zero Harm through Effective Leadership* programme. The programme is aimed at establishing a high-performance culture that will ensure sustainable improvements in health and safety.

DIVIDEND

Although the Group has returned to profitability and recorded a significant improvement on FY2012 financial results, the Board has resolved not to declare a dividend for the full year, in line with the Group's need to fund its strategy and growth plans.

BOARD OF DIRECTORS

I succeeded Roy Andersen as non-executive chairman following his retirement, as announced in August 2012. On behalf of the Board I thank Roy for his erudite and statesmanlike direction of the Group through some difficult times. I personally thank him for mentoring me as a new director in 2009, and as his successor in 2013.

During the year, Tony Routledge, Namane Magau and Sibusiso Sibisi retired from the Board after many years of service. Subsequent to year-end, Thenjiwe Chikane, who had only recently joined us, resigned from the Board for personal reasons. Orrie Fenn resigned from the Board, due to his appointment as platform executive for the Construction Global Underground Mining operating platform. I would like to thank all of these directors for their valued contribution.

Ntombi Langa-Royds joined the Board during June 2013 as a non-executive director. We welcome her to the Board.

Shareholders are reminded that the annual general meeting of the Group will be held on 6 November 2013. The order of business is set out in the Notice of annual general meeting starting on page 128 of this report.

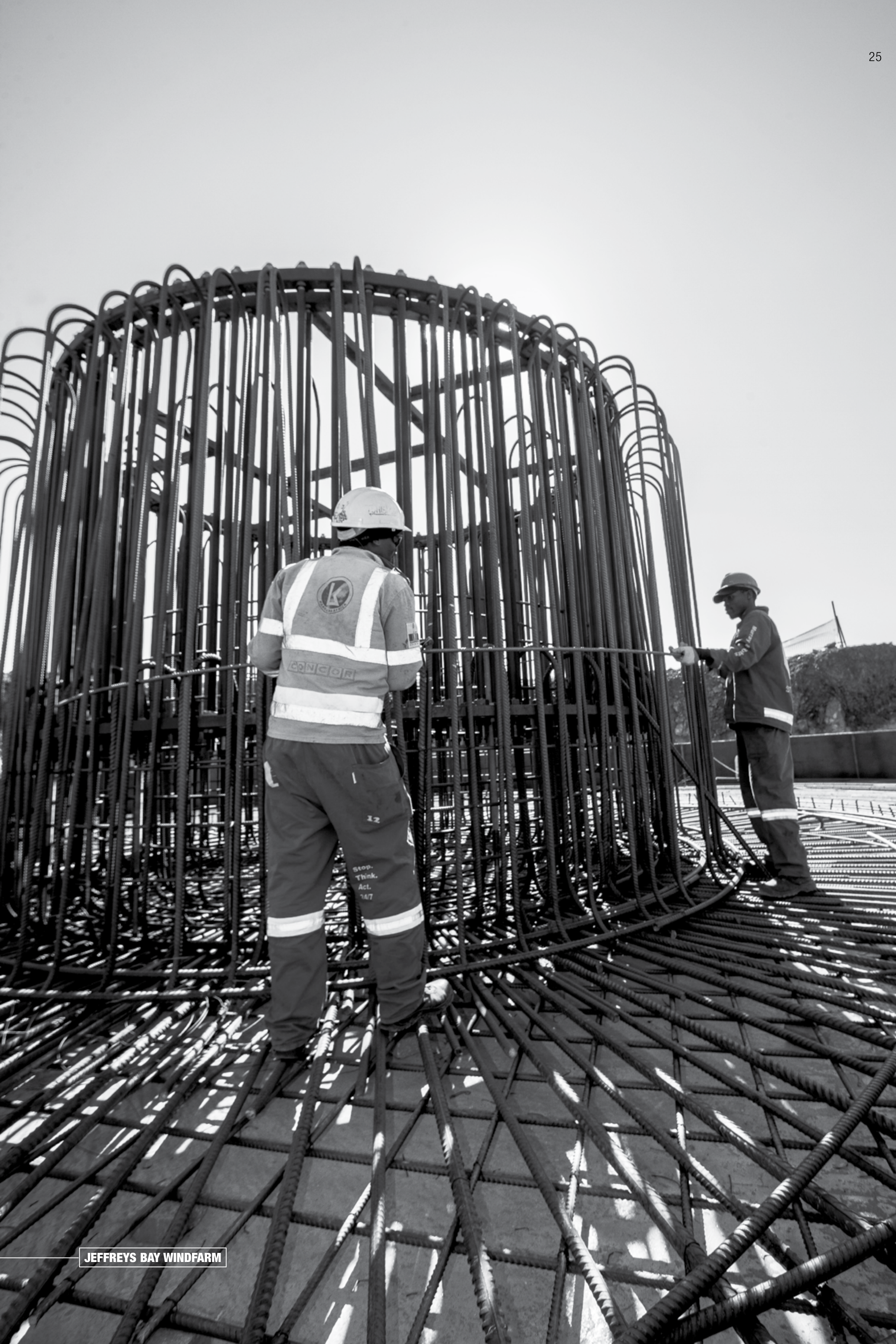
OUTLOOK

The Board is pleased with the significant improvement in the Group's financial results and expects the positive earnings trend to continue, driven mainly by our international operations. FY2014, the second of our two Growth years, promises to be as challenging as the first. The achievements of FY2013 should create confidence that the Group has the right leadership, structures and plans in place to position Murray & Roberts for a most exciting and rewarding future.

APPRECIATION

As a final note, I would like to thank our stakeholders for their ongoing support, in a year in which distressing historical issues have taken their toll on the Group's reputation. We look forward to restoring the trust and earning the support of all our stakeholders, as we continue to bring the lessons of the past to bear on ensuring a brighter future for the Group.

MAHLAPE SELLO
GROUP CHAIRMAN



JEFFREYS BAY WINDFARM

GROUP DIRECTORATE

MAHLAPE SELLO (51)

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Master of Arts in Law (Russia)
LLB (Wits)

Mahlape was appointed to the Board in 2009 and became chairman in 2013. She is chairman of the nomination committee and a member of the social & ethics committee, the health, safety & environment committee and the remuneration & human resources committee. She is also a trustee of The Murray & Roberts Trust. Mahlape is a member of the South African Law Reform Commission and the chairperson of the Advertising Industry Tribunal of the Advertising Standards Authority of South Africa.

DAVID (DAVE) DUNCAN BARBER (60)

INDEPENDENT NON-EXECUTIVE DIRECTOR

FCA (England & Wales)
AMP (Harvard)

Dave was appointed to the Board in 2008. He is chairman of the audit & sustainability committee and a member of the risk management committee. Dave is a director of AFGRI.

JOHN MICHAEL MCMAHON (66)

INDEPENDENT NON-EXECUTIVE DIRECTOR

PrEng BSc Eng (Glasgow)

Michael was appointed to the Board in 2004. He is the chairman of the risk management committee, and a member of the health, safety & environment committee, the nomination committee and the remuneration & human resources committee. He is also a trustee of The Murray & Roberts Trust and the chairman of Central Rand Gold.

ROYDEN THOMAS VICE (66)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BCom CA(SA)

Royden was appointed to the Board in 2005. He is chairman of the remuneration & human resources committee and a member of the risk management committee, the audit & sustainability committee and the nomination committee. He is also a trustee of The Murray & Roberts Trust. Royden is chairman of Hudaco Industries and a Governor of Rhodes University.

NOMALIZO (NTOMBI) BERYL LANGA-ROYDS (51)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BA (Law) LLB

Ntombi was appointed to the Board in 2013. She is chairman of the social & ethics committee and a member of the remuneration & human resources committee. She is also a trustee of The Murray & Roberts Trust. She owns Nthake Consulting, a human resources consultancy business and has more than 25 years of experience in human resources. Ntombi is an independent non-executive director of African Bank (ABIL), PPC and Mpact.

NON-EXECUTIVE DIRECTORS | EXECUTIVE DIRECTORS | GROUP SECRETARY

WILLIAM (BILL) ALAN NAIRN (68)

INDEPENDENT NON-EXECUTIVE DIRECTOR

PrEng BSc Eng (Mining)

Bill was appointed to the Board in 2010. He is chairman of the health, safety & environment committee and a member of the risk management committee and the social & ethics committee. Bill is a director of AngloGold Ashanti and non-executive chairman of MDM Engineering Group and of the Procurement Committee for MTN Group.

ANDRIES JACOBUS (COBUS) BESTER (53)

GROUP FINANCIAL DIRECTOR

BCom (Acc) Hons CA(SA)

Cobus joined the Group in 2006 following the acquisition of Concor and was appointed to the Board and as Group financial director in July 2011. Cobus is a director of Murray & Roberts Limited, the chairman of Murray & Roberts International Holdings, Tolcon and Hall Longmore and a director of Clough Limited.

HENRY JOHANNES LAAS (53)

GROUP CHIEF EXECUTIVE

BEng (Mining) MBA

Henry joined the Group in 2001 and was appointed to the Board as Group chief executive in July 2011. He is a member of the health, safety & environment committee. Henry is a director of Murray & Roberts Limited, Murray & Roberts International Holdings and of Clough Limited.

EMMARENTIA (RENTIA) JOUBERT (34)

GROUP SECRETARY

BCom (Acc) Hons CA(SA) GTP(SA)

Rentia joined the Group in 2010 and was appointed Group secretary in 2012. She is a trustee of the Murray & Roberts Retirement Fund.

Roy Andersen retired as independent non-executive chairman on 1 March 2013.
Namane Magau and Sibusiso Sibisi resigned as independent non-executive directors on 31 October 2012.
Tony Routledge retired on 31 October 2012.
Orrie Fenn resigned as executive director effective 1 June 2013 to take up an executive leadership role in the Construction Global Underground Mining platform.
Thenjiwe Chikane resigned as independent non-executive director on 20 August 2013.
Directors ages as at 30 June 2013.

GROUP CHIEF EXECUTIVE'S AND FINANCIAL DIRECTOR'S REPORT

HENRY LAAS & COBUS BESTER

DEAR STAKEHOLDER

The Group achieved Recovery in FY2012 and has made significant progress in implementing its Growth plan in FY2013. In this, the first of our Growth years, the Group returned to profitability, signalling more robust and sustainable levels of revenue and profit.

Due to the resilience of our employees we have weathered the storm and feedback shows that our people feel encouraged about the Group's future. This new-found team spirit is of the utmost importance in our drive to become the leading engineering and construction firm in our chosen markets, to achieve Zero Harm and to become known for excellence in all that we do.

RESTRUCTURING AND REFOCUSING

Our Growth plan is primarily about disposals and acquisitions designed to focus the Group on its core competence of engineering and construction, with greater emphasis on the oil & gas and mining market sectors. We have identified these sectors as those presenting the best sustainable growth potential in the medium to long term. In terms of this plan, FY2013 was primarily focused on the disposal of identified businesses and FY2014 will be a year of acquisition.

The Group began the year with five operating platforms. By the end of the year, they had reduced to four, following the sale of the Construction Products Africa manufacturing businesses. Of these four operating platforms, two comprise our regional businesses (with a primary focus on Africa) and the remaining two our international businesses (with a global focus). The regional platforms are Construction Africa and Middle East, and Engineering Africa. The International platforms are Construction Australasia Oil & Gas and Minerals, and Construction Global Underground Mining. At the end of the two-year Growth plan, the Group's portfolio of businesses will generate enhanced contributions from operations which, unlike the manufacturing businesses, fall squarely within our areas of core competency. In our view, the international businesses will, over time, record stronger growth relative to the regional businesses.

MURRAY & ROBERTS IS FOCUSED ON AND COMMITTED TO SUCCESS. THIS SHARED SENSE OF PURPOSE AND VISION STRENGTHENS MANAGEMENT'S DETERMINATION TO PURSUE, WITH RENEWED CONFIDENCE, THE JOURNEY TOWARDS A NEW STRATEGIC FUTURE FOR THE GROUP

The Group has long recognised the potential benefits of fully owning Clough Limited, ("Clough") the Australian listed engineering and construction company and one of the Group's two international operating platforms. The Group currently holds 61,6% of Clough and has made an offer to acquire all of the shares it does not already own. This acquisition remains subject to various approvals, including shareholder approval. Subject to meeting all the conditions precedent, the transaction should be concluded towards the end of calendar year 2013.

Following the disposal of the manufacturing businesses, this proposed transaction is strategically compelling – it is the next step in fulfilling our strategic objectives and consistent with our long-term growth plans.

DEALING WITH LEGACY ISSUES

In the year we continued our efforts to pursue our entitlements in terms of the large outstanding claims on the following completed projects: the Gorgon Pioneer Materials Offloading Facility ("GPMOF") in Western Australia, the Dubai International Airport and Gautrain. The legal processes on all these claims are complex and we only expect them to be brought to a close towards the end of FY2016.

In June 2013, we entered into a settlement agreement with South Africa's Competition Commission in terms of its Fast-Track Settlement Process relating to historical anti-competitive practices in the construction industry. The R309 million fine imposed would be severe in normal times and given the difficult current market conditions it is all the more acute. The construction industry is not a high-margin industry. Our combined gross profit on the projects for which we had successfully tendered and for which we were found guilty was considerably less than the fine.

Companies don't commit offences, people do. This collusive conduct was never known to, and much less endorsed by, our Board. It arose from the unauthorised actions of a handful of former directors in our subsidiary companies. Since the first of these matters came to light in 2008 the Board and executive have left no stone unturned in our efforts to rid the Group of any such practices and prevent recurrence.

Although we cannot change our past, we can build for the future. While current management was not implicated in the alleged anti-competitive practices, we have taken decisive action to ensure that such practices will not be repeated. On each and every tender submission responsible executives are now required to make personal declarations that they do not know of any anti-competitive practices that might compromise our submission.

At the time that the competition penalty was announced, management across the Group engaged in frank discussions with all levels of staff on what our employees believed this meant for them and for their company. These exchanges clearly demonstrated that our employees attach the very highest priority to the Group's integrity and to its reputation among stakeholders.

We will continue to be vigilant, ensuring that there is no room for any unacceptable practices or behaviours that undermine our reputation.

REDUCING RISKS

We believe that risk management processes within the Group are today at least as good as those in any construction company in South Africa, if not worldwide. It is fair to state that due to the many lessons learnt in the last few years, there has been a huge improvement in our understanding of risk identification and management.

GROUP CHIEF EXECUTIVE'S AND FINANCIAL DIRECTOR'S REPORT CONTINUED

This year considerable work was undertaken at Group level and within our various operating platforms on assessing potential commercial and operational risks at the outset of the tendering process. Operational executives are closely involved in the compilation of bids and the identification of potential risks that might translate into unforeseen losses. In particular, extensive resources were applied to the development of project management systems – systems that have now been independently assured and are ready for implementation.

A key theme this year has been the delivery of operational excellence, as well as contract management excellence. In the past, operating platforms and businesses attached undue emphasis to revenue generation. Often this meant that operations did not sufficiently mitigate risks that should have been identified and at least accommodated in tender prices. This year key performance areas, which emphasise profitability, were largely standardised across the Group. This has contributed materially towards entrenching the desired culture of operational excellence.

Also this year lessons learnt on current and past projects were widely disseminated within Murray & Roberts. Projects identified as "projects in distress" were mostly within the Construction Africa and Middle East, and Construction Global Underground Mining operating platforms. Significantly, most of those projects were entered into more than eighteen months ago and no material losses were sustained on projects initiated since then. Where required, provision for losses to completion on projects in distress was accounted for in FY2013.

DRIVING SAFETY AND EXCELLENCE

Our drive to consider safety in everything we do continued to bear fruit this year. While in the previous year we reported four fatalities, this year we regretfully record the deaths of two of our colleagues, Gil David Macamo (43) and Simphiwe Tomsana (31). A highlight during the year was that we achieved a record-low lost time injury frequency rate of 0.82 (June 2012: 1.14), bettering our target of 1.0. In many sectors and markets our safety records are now recognised as being the best in their class.

In April 2013, we completed twelve months without a fatal incident and we look forward to completing a full financial year without a single fatality as we close in on our objective of Zero Harm. It is imperative that the Murray & Roberts brand becomes synonymous with safety; we do not want any of our colleagues to get injured in the workplace and believe we can gain competitive advantage by making Zero Harm a reality.

In pursuing our objective of becoming a company renowned for its leadership development and capacity, we have invested significant resources in the skills and expertise of our employees.

This year we opened a state-of-the-art learning centre at our corporate head office to offer our employees a spectrum of training opportunities, including specific training in risk and commercial management, project management as well as leadership development. Total training expenditure this year was R156 million, a 15% increase on the previous year. R10 million was spent on upgrading the Bentley Park training academy, which is part of the Construction Global Underground Mining operating platform. This is a world-class resource that is now also being utilised by our other operating platforms.

We acknowledge that our ability to achieve excellence in project delivery and safety performance also depends on our partners and suppliers. Training at the Medupi and Kusile power stations is also having a profound social impact, with some 123 artisans receiving fully certified training this year. This is equipping these individuals with skills that can be utilised long after construction work at those sites has been completed.

FINANCIAL PERFORMANCE

Revenue from continuing operations increased 9% to R34,6 billion (2012: R31,7 billion). An attributable profit of R1 004 million was achieved (2012: a R736 million loss), which represents a year-on-year improvement of R1 740 million. Diluted profit per share was 245 cents (2012: 214 cents loss) and headline diluted profit per share was 186 cents (2012: 246 cents loss). The results include an attributable profit on the disposal of the Group's 36% shareholding in Forge Group Limited ("Forge") of R223 million.

Construction Australasia Oil & Gas and Minerals, which represents our investment in Clough, recorded excellent operational results assisted by a strong growth in revenue. The South African operations of both Construction Africa and Middle East, and Construction Global Underground Mining underperformed as a result of several loss-making contracts and extensive strike action during the year. The impact of these losses was softened by positive fair value adjustments of the Concession investment, as well as favourable exchange rate translation differences arising from a weaker Rand.

Construction Africa and Middle East was the only one of our four platforms to not operate profitably this year, largely due to the negative financial impact of industrial action experienced on the Medupi project. However, this platform returned a much-improved performance relative to 2012 when an operating loss of R1,3 billion was incurred. In contrast, the strong performances posted by the offshore operations in our international platforms confirm the Group's growing resilience.

Net financing costs reduced to R115 million (2012: R248 million) as a result of interest income earned on the proceeds from the disposal of Forge, and the settlement of all the Group's term debt during the year.

The effective taxation rate of 34,3% (2012: 36,5%) decreased from the prior year and was impacted by higher statutory tax rates in Canada, USA and Australia. Deferred taxation assets were not raised on all taxation losses. The effective tax rate on the profit on the sale of Forge was 40% as the tax value of the investment was well below the carrying value.

Income from associates was R165 million (2012: R143 million) and comprises mainly of income from the investment in Forge, which was significantly higher compared to the prior year despite the fact that the investment was sold during March 2013.

Profit from discontinued operations was R259 million (2012: R92 million) and includes profit on the disposal of Cape Town Iron Steel Works ("CISCO"), and the disposal of the business, assets and liabilities of Union Carriage & Wagon Proprietary Limited ("UCW") and the remaining Steel Business, totalling R100 million.

Non-controlling interests yielded R466 million (2012: R144 million), up due to the increase in Construction Australasia Oil & Gas and Minerals' operational results, as well as the profit generated from the sale of Forge.

Capital expenditure for the year was R1 089 million (2012: R959 million) of which R768 million (2012: R390 million) was for expansion and R321 million (2012: R569 million) for replacement. Construction Global Underground Mining incurred the bulk of the capital expenditure, followed by Construction Africa and Middle East. A number of long-term rental agreements were capitalised during the year, which accounted for R60 million of capital expenditure.

The Group's return to profitability resulted in cash generated by operations of R2,0 billion (2012: R1,6 billion cash utilised by operations). The prior year included significant outflows due to funding requirements on the now completed GPMOF loss-making project.

The Group ended the year with an improved net cash position (after the deduction of interest bearing debt) of R4,3 billion (2012: R1,2 billion). The cash generated by operations during the year, as well as the proceeds from the disposals of Forge, UCW, Steel and CISCO resulted in the significant increase in net cash compared to the prior year. A large portion of the cash is held offshore and the South African balance sheet is still in a net debt position. The gearing of the South African balance sheet has however improved to 30% (2012: 34%). The proceeds from the sale of the Construction Products Africa businesses will be received during the new financial year and will be utilised to reduce South African debt.

The Group's order book at year-end was R46,1 billion (2012: R45,3 billion) and shows a marginal improvement from the prior year. The order book of both Construction Australasia Oil & Gas and Minerals and the South African operations of Construction Global Underground Mining showed improvements.

All in all, good progress has been made in restoring the balance sheet and returning to profitability.

A NEW STRATEGIC FUTURE

The Murray & Roberts Group ended FY2013 having successfully negotiated its Recovery phase in FY2012 and accomplishing significant milestones in the first of its two Growth years.

With the assistance of shareholders who supported the R2,0 billion rights issue in April 2012, the Group has built financial strength. We have also restructured, assembled talented leadership in all operating platforms, forged strategic alliances with strong partners and are pursuing several material project opportunities in our target sectors. Most importantly, the Group has drawn a line under legacy loss-making projects, although the commercial recovery in relation to these projects still has a long way to go. Current distressed projects and underperforming assets are being addressed, losses accounted for and measures taken to prevent repeats.

Murray & Roberts is focused and committed to success. This shared sense of purpose and vision strengthens management's determination to pursue, with renewed confidence, the journey towards a New Strategic Future for the Group.

We are excited about the prospect of owning 100% of Clough. The proposed acquisition of the minority shares in Clough will increase Murray & Roberts' exposure to its target markets, which are considered to present long-term growth potential. It will also allow Murray & Roberts to better leverage Clough's oil & gas capabilities to pursue opportunities in Africa, especially those along the Mozambique coastline.

The Group's two regional operating platforms, which primarily focus on Africa, are expected to grow organically and through market consolidation. This year we continued to implement our Africa strategy and remain committed to the "hub-and-spoke" model we have previously communicated. The success, in particular, of our Engineering Africa operating platform in accessing quality, profitable projects in West Africa speaks to the efficacy of this strategy.

Since new agreements were reached with Hitachi and Eskom, our involvement in Eskom's Medupi and Kusile projects has been on a much firmer, more predictable footing and our executives are increasingly seeking alternative opportunities with which to fill their post-power programme order books.

As is further described in the operating and financial overviews elsewhere in this report, our operations in the Americas and Australasia performed exceptionally well this year. As our international operations will increasingly underpin our long-term growth ambitions, we envisage that these operations will receive priority in terms of capital deployment. This statement carries the caveat that any future acquisitions will be made without recourse to shareholder funding, while maintaining a strong balance sheet.

The proposed Clough acquisition will be financed mainly from existing cash, including excess Clough cash. The Group's consolidated gross debt position is expected to remain largely unaffected by this acquisition after the redeployment of funds to be received from asset disposals in the second quarter of FY2014. In FY2014 we shall actively pursue settling and replacing the local debt arising from the acquisitions with foreign debt. This will align our debt profile with our growing international business and also reduce the cost of debt.

At the end of what can justifiably be described as a breakthrough year, a number of encouraging developments underscore our belief that Murray & Roberts is on track to achieve our 2020 vision of being the leading diversified engineering and construction group in our markets. These positive developments included the successful disposal of the Construction Products Africa businesses, progress on strategic acquisitions, the awarding of large mine-development contracts in South Africa (diamonds) and Zambia (copper), our entry into new market sectors such as operations and maintenance, the settlement reached with the Competition Commission and a generally better quality order book.

Our improved balance sheet positions us to pursue our New Strategic Future with confidence. Much of the groundwork necessary for embarking on this strategy has been laid in this, the first of our two Growth years. In the next year the longer-term strategy for our Group will begin to assume a more defined form, details of which we look forward to sharing with stakeholders in due course.

APPRECIATION

We thank and congratulate our executive team and all of our employees for their contribution in strengthening the Group this year. In particular we thank the Board for its valued counsel and leadership. Special mention must be made of Roy Andersen, who vacated the chair in February 2013, and his successor, Mahlape Sello. Thanks to their efforts, the transition was smooth and seamless.

HENRY LAAS
GROUP CHIEF EXECUTIVE OFFICER

COBUS BESTER
GROUP FINANCIAL DIRECTOR

GROUP EXECUTIVE

COBUS BESTER (53)

GROUP FINANCIAL DIRECTOR

BCom (Acc) Hons CA(SA)

Cobus joined the Group in 2006 following the acquisition of Concor and was appointed to the Board and as Group financial director in July 2011. Cobus is a director of Murray & Roberts Limited, the chairman of Murray & Roberts International Holdings, Tolcon and Hall Longmore and a director of Clough Limited.

Corporate office finance & payroll
Financial control & reporting
Information management & technology
Murray & Roberts Properties
Secretarial
Taxation
Tolcon
Treasury

ORRIE FENN (58)

OPERATIONS EXECUTIVE

BSc (Hons) Eng MPhil Eng DEng

Orrie joined the Group and was appointed to the executive committee in 2009. He is the executive director responsible for the Construction Global Underground Mining operating platform.

Cementation Canada & USA
Cementation Sudamérica
Murray & Roberts Cementation
RUC Cementation

JEROME GOVENDER (41)

OPERATIONS EXECUTIVE

BSc (QS) MSc MBA

Jerome joined the Group in 2002 and was appointed to the executive committee on 1 August 2012. He is responsible for the Construction Africa and Middle East operating platform.

Concor Civils
Concor Roads & Earthworks
Concor Opencast Mining
Murray & Roberts Botswana
Murray & Roberts Buildings
Murray & Roberts Marine
Murray & Roberts Middle East
Murray & Roberts Namibia
Murray & Roberts Plant
Murray & Roberts Western Cape

IAN HENSTOCK (58)

COMMERCIAL EXECUTIVE

BCompt (Hons) CA(SA) HDip Tax Law MBA

Ian joined the Group and was appointed to the executive committee in 2008. He is the corporate executive responsible for the assurance, commercial, legal and risk portfolios. Ian is a director of Murray & Roberts International Holdings and a director of Clough Limited.

Commercial
Forensics
Internal audit
Legal, compliance & ethics
Risk & insurance

COMMITTEE PARTICIPATION

Audit & sustainability
Health, safety & environment
Nomination
Remuneration & human resources
Risk management
Social & ethics

GROUP CHIEF EXECUTIVE
BEng (Mining) MBA

Henry joined the Group in 2001 and was appointed to the Board and as Group chief executive in July 2011. He is a member of the health, safety & environment committee. Henry is a director of Murray & Roberts Limited, Murray & Roberts International Holdings and of Clough Limited.

Sustainable delivery of Group strategy & performance

HEALTH, SAFETY & ENVIRONMENT EXECUTIVE
BSc PBL MBL

Thokozani joined the Group in 2010 and was appointed to the executive committee in 2013. He is responsible for health, wellness, safety and environment. Prior to joining Murray & Roberts, Thokozani held various positions in safety, health, wellness and environment at ArcelorMittal South Africa, Sasol Synfuels and Alusaf Bayside Smelter.

Health, safety & environment
Wellness
BBBEE

OPERATIONS EXECUTIVE
BEng (Mech)

Frank joined the Group and was appointed to the executive committee on 1 July 2011. He is the executive responsible for the Engineering Africa operating platform, which includes the power programme.

Concor Engineering
Genrec
Murray & Roberts Projects
Murray & Roberts Water
Wade Walker

SUSTAINABILITY EXECUTIVE
BSc PDM MBA

Andrew joined the Group in 2004 and was appointed to the executive committee in 2008. He is responsible for the Group's sustainability strategy, including health, safety & environment and talent management.

Corporate social investment & Letsema BBBEE
Branding & communications
Remuneration & benefits
Strategy support
Sustainability
Talent management