

03

SUMMARISED BUSINESS PLATFORM OVERVIEWS

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Oil & Gas

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Power & Water







PETER BENNETT
Business platform CEO

OIL & GAS

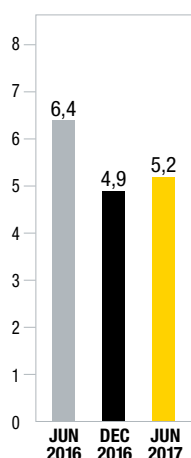
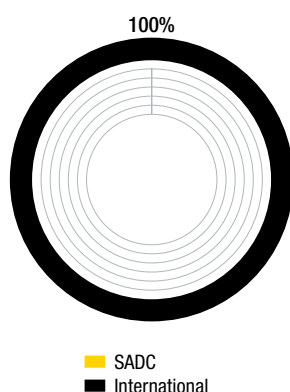
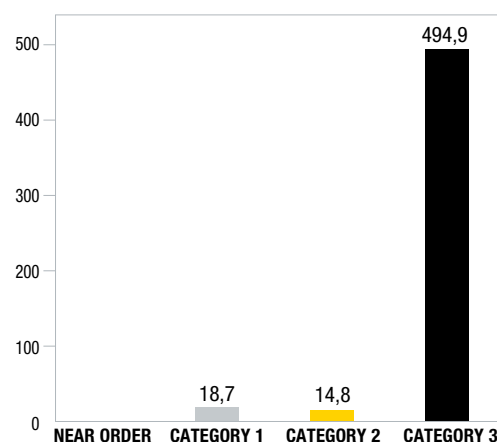
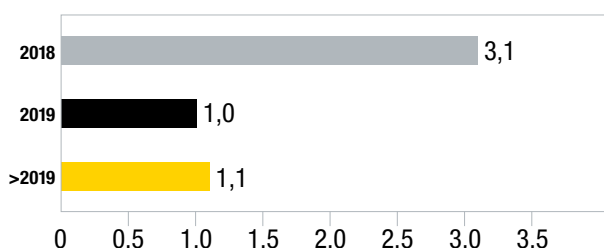
“MEANINGFUL GROWTH OFF THIS LOW BASE IS ONLY EXPECTED IN THE MEDIUM TERM, AS CONFIDENCE RETURNS AND GLOBAL ENERGY PRODUCERS START INVESTING IN NEW PROJECTS.”

R MILLIONS	ENGINEERING		CONSTRUCTION & FABRICATION		GLOBAL MARINE		COMMISSIONING & BROWNFIELDS		CORPORATE OVERHEADS AND OTHER		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	1 297	2 707	30	87	425	936	4 862	7 016	100	466	6 714	11 212
Operating profit/(loss)	28	329	(52)	(16)	71	(4)	576	738	(406)	(522)	217	525
Margin (%)	2%	12%	(173%)	(18%)	17%	–	12%	11%	–	–	3%	5%
Order book	492	1 574	1 070	–	–	341	3 589	4 514	–	–	5 151	6 429
Segment assets											2 528	2 919
Segment liabilities											1 978	2 072
People											1 895	1 464
LTIFR (fatalities)											0.25(0)	0.18(0)



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ORDER BOOK

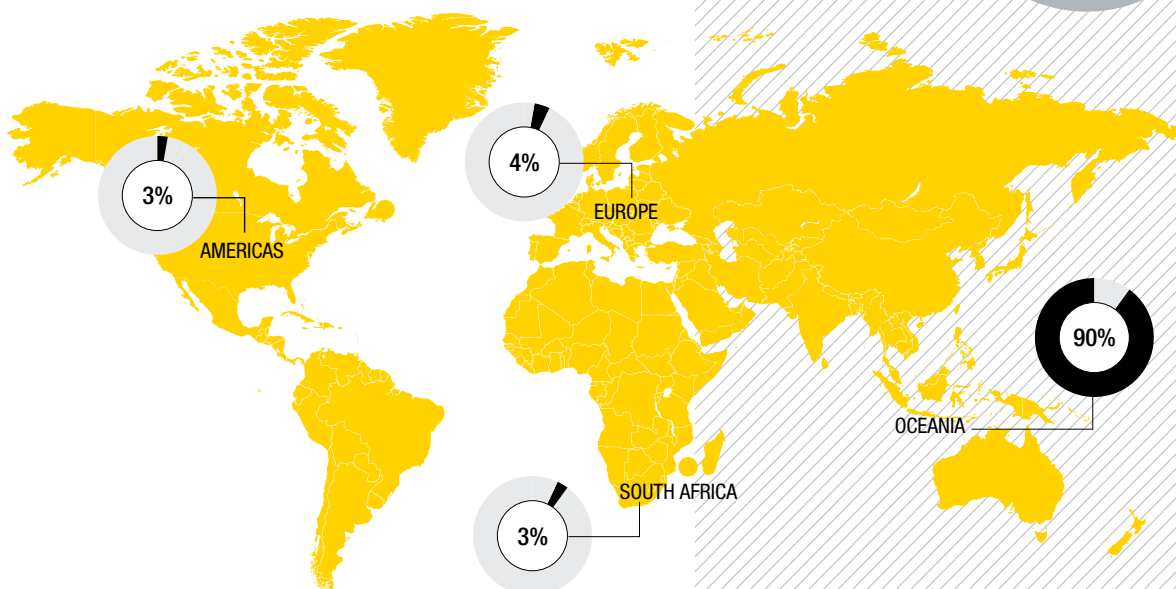
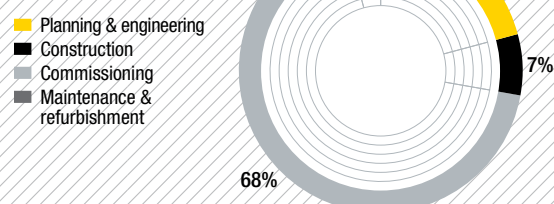
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SPLIT (%)NEAR ORDERS AND PIPELINE
(R billion)ORDER BOOK
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GEOGRAPHIC DISTRIBUTION
REVENUE PER REGIONPROJECT LIFE
CYCLE REVENUE
DISTRIBUTION

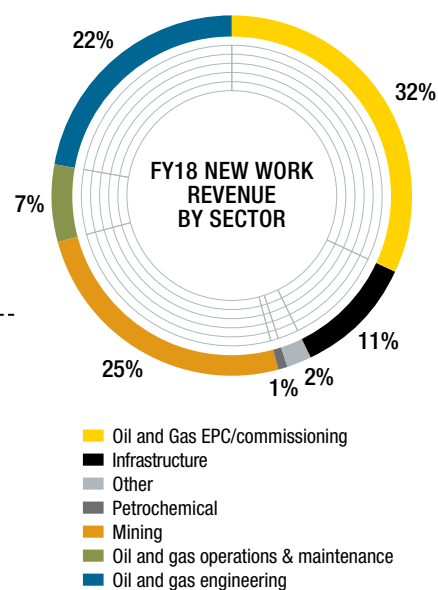
OIL & GAS – CONTINUED

OIL & GAS

PROJECT OPPORTUNITY PER SECTOR

- Oil and gas business accounts for majority of new work during FY2018.
- Metals & mining and infrastructure will be important contributors to revenue while oil and gas markets remain in transition.
- Diversification of Australian business into complementary markets is expected to provide new opportunities.
- Growth in international markets is also expected to yield new business opportunities.

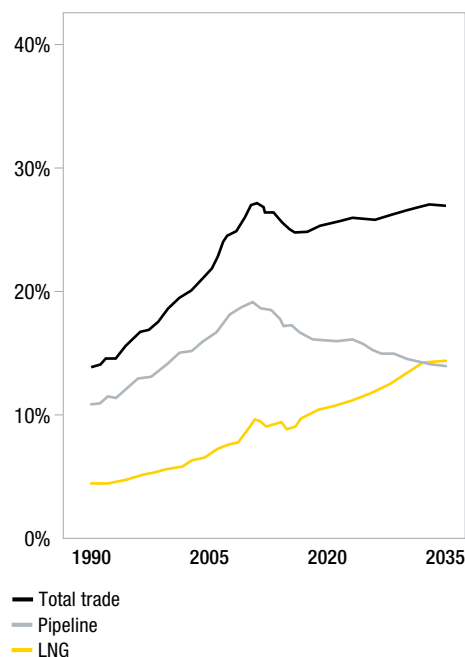
OIL & GAS PLATFORM PIPELINE ANALYSIS



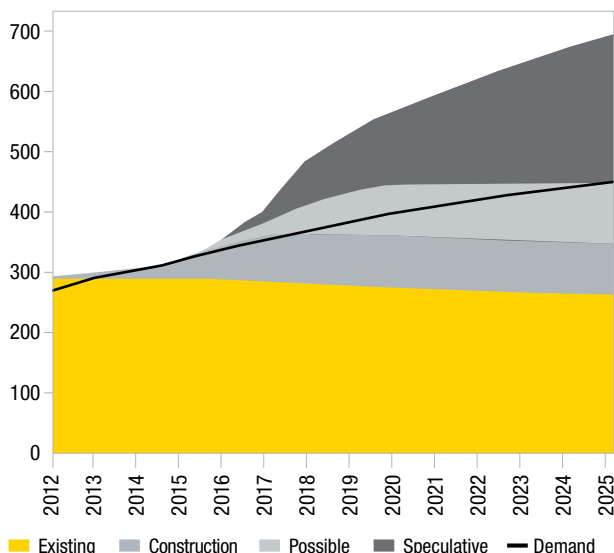
OIL & GAS MARKET OUTLOOK

- Global LNG markets are forecast to remain in oversupply until at least 2021/2022. Leading up to these years, supply/demand imbalances should favour new developments. New supply is likely to come from USA, South East Asia, Middle East and Africa.
- Australian operators are considering brownfields expansions of existing projects; however, investment decisions are only likely during 2019 and 2020. Operations & maintenance projects are still available, although small.

PROJECTED GROWTH IN NATURAL GAS TRADE

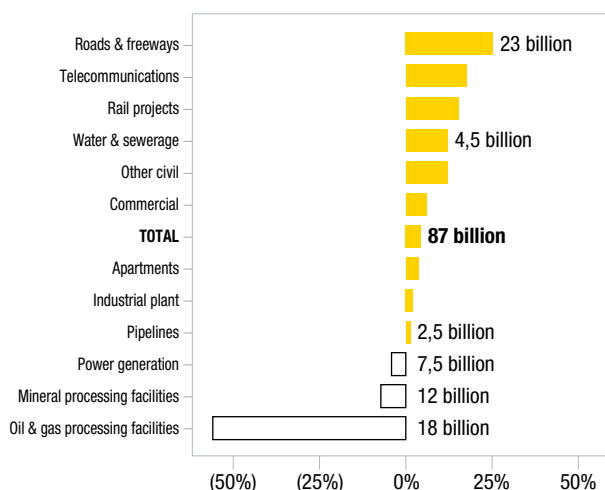


GLOBAL LNG CAPACITY AND DEMAND (MILLION TONNES PER YEAR)



AUSTRALIAN INFRASTRUCTURE MARKET OUTLOOK

2017/18 CONSTRUCTION OUTLOOK (AU\$)



- Major construction work growth forecast at 5%.
- Australian roads and freeway growth forecast at 25%.
- Water and sewerage construction growth forecast at 11%.
- Pipeline construction growth forecast at 1%.
- Power generation forecast to contract by 3%.
- Oil and gas and mineral processing facilities forecast to contract, driven by major project completions.

PROSPECTS

PNG offers an attractive environment for new developments and there are several new opportunities in the project pipeline that the platform is pursuing. Smaller-scale greenfields and brownfields EPC opportunities are emerging in Australia and operators require innovative development solutions, which the platform is well positioned to deliver. Its strong focus on project execution and high-quality project delivery enables it to access scope growth on current projects.

Clough's successful track record in downstream and petrochemical work will enable it to compete for related opportunities across South East Asia and, in Indonesia, growth opportunities exist in gas/liquids-to-power projects, particularly regasification terminals.

In the USA, the focus on energy security will continue to strengthen the oil and gas shale markets and new exploration successes could present midstream opportunities to compress, process and transport gas from production sites to existing processing and export facilities. In Canada, new project opportunities continue to emerge in LNG facilities and associated infrastructure developments, albeit at much slower rates than initially projected.

Population growth in Nigeria and East Africa is driving expenditure on energy projects, and gas-to-power opportunities in South Africa and Mozambique continue to emerge as demand for energy increases. Europe's clean energy target is resulting in new markets for large-scale clean energy developments.

Opportunities exist in complementary markets such as Australia's mining and infrastructure markets and east coast state governments, particularly New South Wales, are developing many large infrastructure projects. Clough is positioned to pursue selected opportunities and has developed partnering strategies to support its delivery.

Internationally, the platform continues to work in collaboration with the Underground Mining platform to pursue brownfields EPC opportunities on the Oyu Tolgoi Expansion Project in Mongolia. These complementary markets will become important contributors to revenue in FY2018, while oil and gas markets remain uncertain.


ORRIE FENN
Business platform CEO

UNDERGROUND MINING

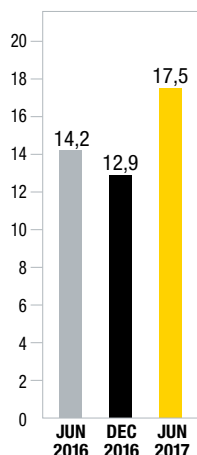
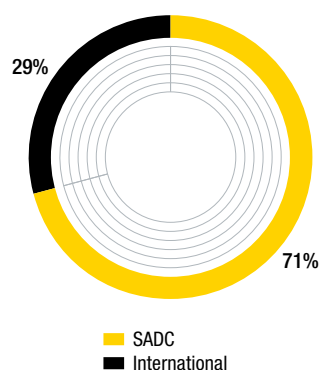
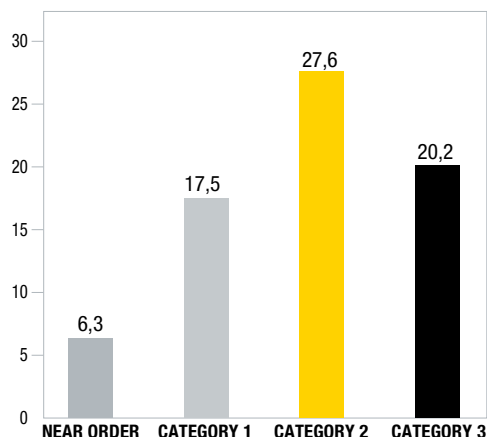
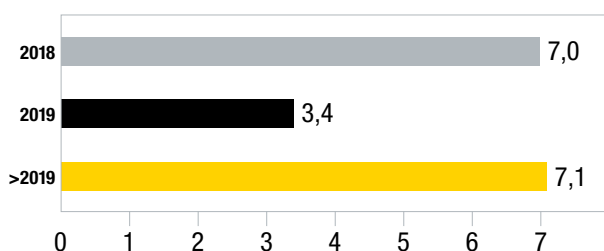
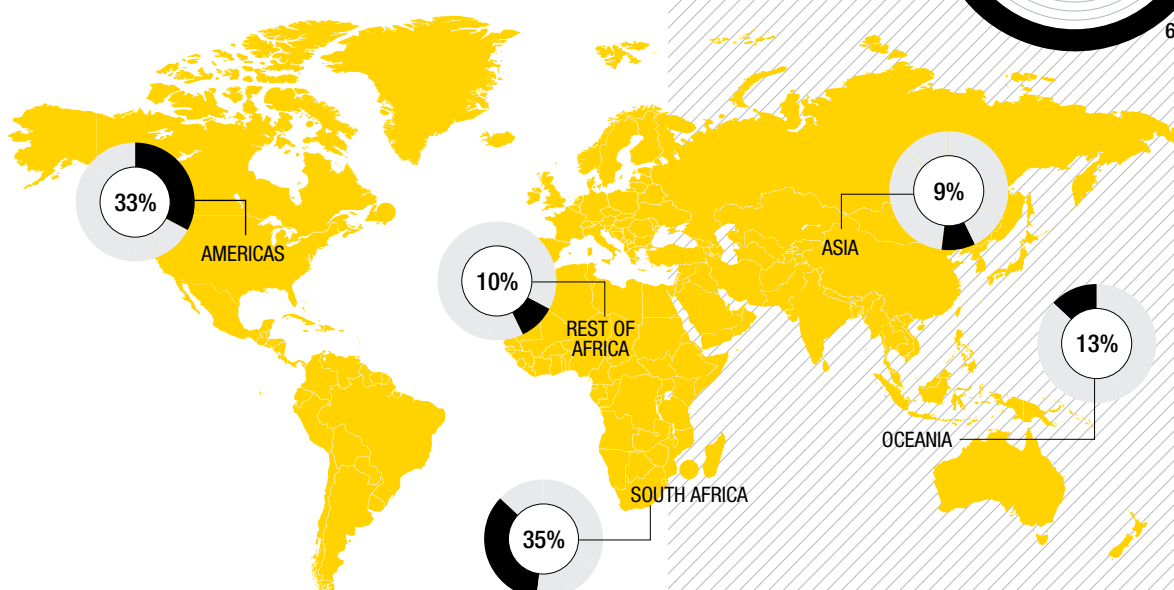
“UNDERGROUND MINING’S GEOGRAPHIC FOOTPRINT IS EXTENSIVE COVERING SIX CONTINENTS AND ITS SERVICE OFFERING SPANS THE PROJECT VALUE CHAIN INCLUDING SPECIALIST ENGINEERING, SHAFT CONSTRUCTION, MINE DEVELOPMENT, SPECIALIST MINING SERVICES INCLUDING RAISE BORING AND GROUTING, AND CONTRACT MINING.”

R MILLIONS	AFRICA		AUSTRALASIA		THE AMERICAS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	3 565	3 640	1 727	1 392	2 754	3 756	8 046	8 788
Operating profit	124	86	217	125	123	295	464	506
Margin (%)	3%	2%	13%	9%	4%	8%	6%	6%
Order book	11 021	9 731	3 117	1 924	3 368	2 603	17 506	14 258
Segment assets	1 139	955	982	809	1 494	1 867	3 615	3 631
Segment liabilities	1 093	944	377	205	439	724	1 909	1 873
People	5 616	5 407	1 008	919	826	1 048	7 450	7 374
LTIFR (fatalities)	1.15(0)	2.39(1)	0.96(0)	0.51(0)	1.97(0)	2.08(0)	1.23(0)	2.11(1)


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ORDER BOOK

HISTORY
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SPLIT (%)NEAR ORDERS AND PIPELINE
(R billion)ORDER BOOK
TIME DISTRIBUTION (R billion)GEOGRAPHIC DISTRIBUTION
REVENUE PER REGION (%)

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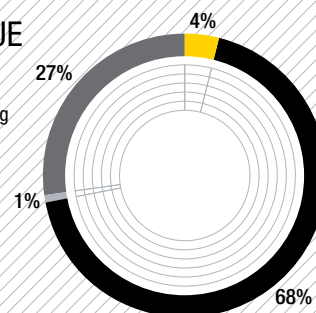
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PROJECT LIFE
CYCLE REVENUE
DISTRIBUTION

■ Planning & engineering
■ Construction
■ Development
■ Operations



UNDERGROUND MINING – CONTINUED

UNDERGROUND MINING

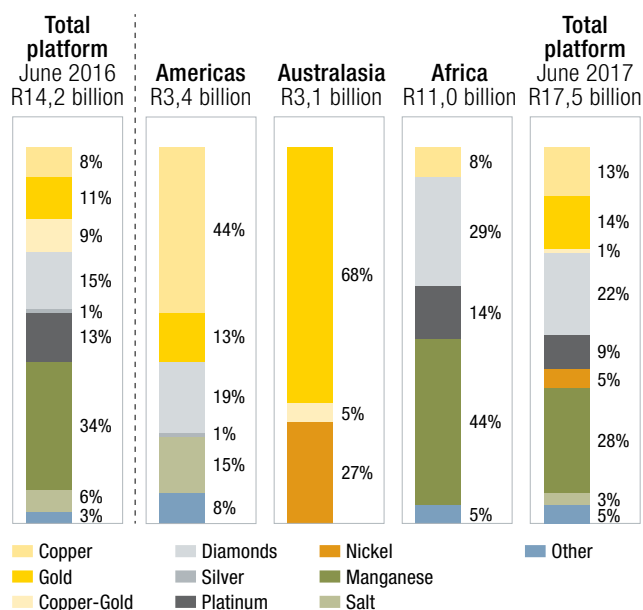
PLATFORM
CAPABILITY
DIFFERENTIATOR

ENTITY	MRC ¹	RUCC	CCI ²
REGION	AFRICA	AUSTRALASIA	AMERICAS & EUROPE
SERVICE OFFERING	<div> SPECIALIST MINE ENGINEERING (concept/pre-feasibility/feasibility to final design) </div> <div> MINE DEVELOPMENT Shaft sinking, development, construction, equipping and raise boring </div> <div> CONTRACT MINING </div>		
POSITIONING – DIFFERENTIATOR	<ul style="list-style-type: none"> ■ Africa's leading underground mining contractor. ■ Design-build capability. ■ World-class training facility at Bentley Park (British Safety Council accredited). 	<ul style="list-style-type: none"> ■ Rapidly building track record in mine development in Australasia. ■ Manufactures own raise boring machines Strata 400 & 960. ■ Operates largest raise boring fleet in Australasia. 	<ul style="list-style-type: none"> ■ A leading underground mining contractor in North America. ■ Strong engineering expertise. ■ Excels at client relationship management 'negotiate rather than bid' approach.

Note: 1 MRC=Murray & Roberts Cementation South Africa and Murray & Roberts Cementation Zambia
2 CCI=Cementation Canada, Cementation USA, Cementation Mexico, Cementation Sudamérica, Merit Consulting (provides project & construction management consulting to mine owners – surface-related) and Cementation Above Ground (provides EPC services for bulk material handling/processing to the surface mining/minerals industry).



PLATFORM'S PROJECTS REPRESENT MOST KEY COMMODITIES



PROSPECTS

Mining is a cyclical business with deep troughs and high peaks. After the commodity super cycle peaked in 2011, the mining industry was forced into a preservation cycle and, from 2013, major mining companies reduced capex by up to 60%.

For the first time in five years, the industry appears to be moving into an upturn. Various research reports indicate that demand for commodities is anticipated to grow in the short term on the back of an increase in commodity prices and supply and demand dynamics.

Many new large opportunities are presenting themselves in sub-Saharan Africa and the Americas; and engineering-led international opportunities outside of the Americas are increasing, as well as large hole raise boring and shaft sinking prospects in Australasia.

In countries and regions where current mining activity is high, there is a large investment pipeline of underground mining projects. This is projected to increase in the future, and the platform is active in these areas and positioned to take advantage of any upturn in the commodity cycle. Most key commodities are represented in the current portfolio of projects.

There is substantial scope for organic growth within the platform, as mining companies continue their ongoing infrastructure replacement brownfields spend to sustain their operations and as greenfields expansion increases to meet future demand. With its global footprint, and the ability to pool and leverage its resources, Underground Mining is well placed to win work and support its clients during the upturn.



STEVE HARRISON
Business platform CEO

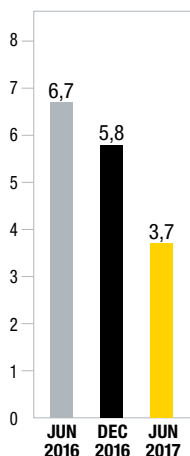
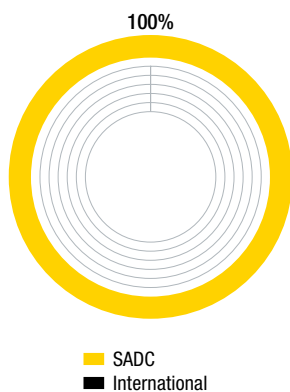
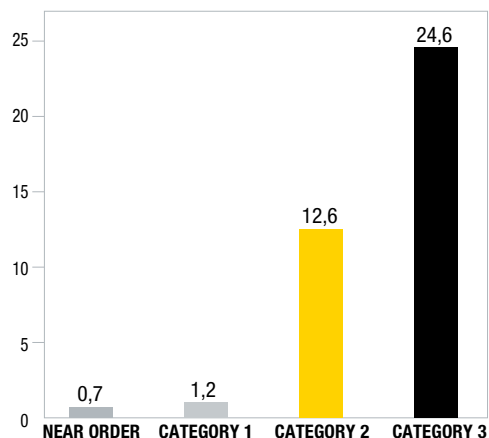
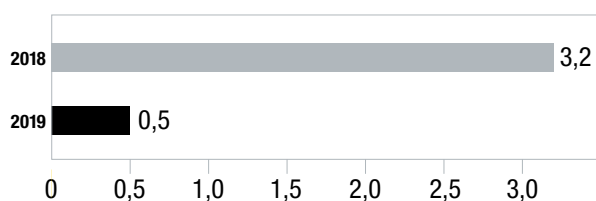
POWER & WATER

“GIVEN THAT THE PLATFORM’S CAPACITY OVER MOST OF THE PAST DECADE HAS BEEN LARGELY DEDICATED TO THE POWER PROGRAMME, A KEY PRIORITY IS TO RE-ESTABLISH ITSELF AS A CONTRACTOR OF CHOICE WITH NEW CLIENTS IN THE BROADER POWER AND WATER SECTORS.”

R MILLIONS	POWER ¹		WATER		OIL & GAS		ELECTRICAL & INSTRUMENTATION		CORPORATE OVERHEADS AND OTHER		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	5 063	3 733	56	42	669	367	106	189	14	(55)	5 908	4 276
Operating profit/(loss)	243	272	(20)	(9)	5	(18)	35	36	(92)	(254)	171	27
Margin (%)	5%	7%	(36%)	(21%)	1%	(5%)	33%	19%	–	–	3%	1%
Order book	3 198	6 326	–	25	483	283	26	47	–	2	3 707	6 683
Segment assets											1 527	1 468
Segment liabilities											1 341	1 284
People											6 936	5 354
LTIFR (fatalities)											0.43(0)	0.07(0)

1. Power programme contracts.

ORDER BOOK

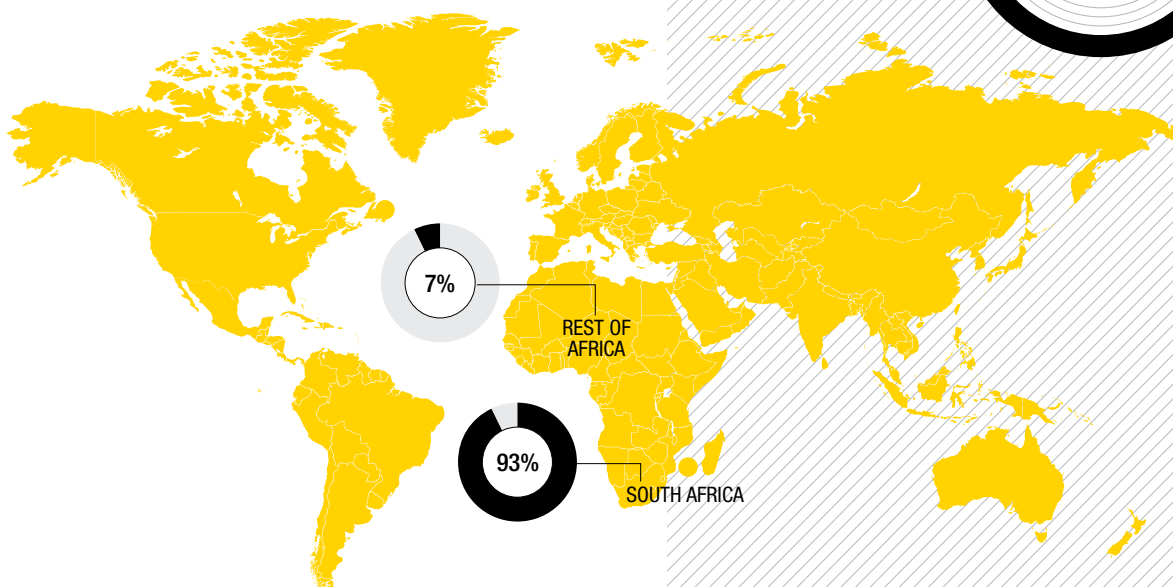
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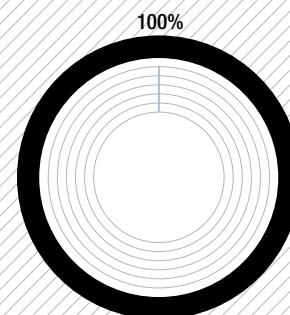
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PLATFORM OVERVIEWSGOVERNANCE, RISK AND
REMUNERATION REPORTSSUMMARISED
FINANCIAL REPORTSHAREHOLDERS'
INFORMATIONGEOGRAPHIC DISTRIBUTION
REVENUE PER REGIONPROJECT LIFE
CYCLE REVENUE
DISTRIBUTION

Planning & engineering
Construction
Development
Operations



POWER & WATER – CONTINUED

POWER SECTOR

4 600MW

Determination Window 2 IPP coal baseload and gas-to-power projects in Richards Bay and Coega.

2 383MW

Remaining 37 REIPPP projects yet to be signed by Eskom.

IRP2050

Under public review. Proponent for gas-to-power and renewable energies.

ESKOM

Repair and maintenance estimated R10 billion per annum. Estimated to peak at R20 billion by 2020.

OUTLOOK AND KEY DRIVERS

- The Eskom board approves Fleet Renewal Strategy based on economic viability-life extension to ensure continued reliability of the power stations.
- South Africa's coal baseload IPP programme (CBIPPPP) Window 1 two preferred bidders. Window 2 to be announced later in 2017.
- Large maintenance backlogs in power plants in sub-Saharan Africa, including South Africa.

DIFFERENTIATORS

- Experience in power plant SMEIPP.
- Appetite for taking up EPC role with in-house key skills and partners.
- Multi-disciplinary offering through collaboration of Group entities.
- Experience and track record in implementing large projects.

OIL & GAS SECTOR

2019/2020

South Africa to develop a gas industrialisation unit resulting from LNG imports.

BULK STORAGE TANKS

New build and refurbishment opportunities emerging across the continent.

2018 AND BEYOND

Gas commercialisation projects in East Africa. Clean fuels will provide refinery upgrade opportunities.

2018 AND BEYOND

Significant stay-in-business spend by Sasol at Secunda, Sasolburg & Natref operations, expand registration offering.

OUTLOOK AND KEY DRIVERS

- Refresh strategy to deploy an integrated full project life cycle offering, to include Clough's front-end and upstream experience.
- Gas-to-power and LNG import will bring infrastructure opportunities.
- Sasol 'stay-in-business' spend will provide opportunities.
- Bulk storage opportunities in sub-Saharan Africa and South Africa.
- Ghana's investment in the Tema and Takoradi ports will create downstream infrastructure opportunities.

DIFFERENTIATORS

- Capability and experience of Murray & Roberts Group companies.
- Petrochemical-related activity in Secunda is transferable to Sasolburg.
- Relationships with EPC and trading houses through Clough.

WATER SECTOR

ORGANICA

Demo plant secured at Verulam in eThekweni Municipality.

LIFE HEALTH

Feasibility study to provide water security measures to all Life Health's hospitals.

WATER RISK

83% of South African companies say they are exposed to water risk.

R670 BILLION

Department of Water & Sanitation's estimate to get wastewater treatment back to compliant operation.

POTABLE WATER

15 billion m³ is South Africa's current potable water allocation – 17,7 billion m³ is the estimated demand for potable water by 2030.

OUTLOOK AND KEY DRIVERS

- Upgrading wastewater opportunities driven by Government, a priority to ensure environmental compliance and reuse.
- Industrial opportunities driven by environmental compliance, water security and recycling.
- Mine water sector has not been active over past 18 months. Drivers are environmental compliance, dewatering to mine areas and reuse. Long-term solution for treating AMD in Wits Basins likely to come to market in two to three years.
- Sea water desalination opportunities will be ad hoc small containerised plants, as Government policy views sea water desalination as a last resort.
- PPP opportunities in the short to medium term.

DIFFERENTIATORS

- Organica technology for wastewater treatment.
- RMB/Murray & Roberts Water offering to industrial sector.
- Access to Osmoflo desalination plants for emergency situations.
- Stockholding of selected Aquamarine products.
- Full value chain offering.

RESOURCES & INDUSTRIAL SECTOR

RE-ENGAGEMENT

Historical and new clients in mining & metal and industrial sectors.

INFRASTRUCTURE

Materials handling opportunities.

MARKET OUTLOOK

Opportunities are emerging, however competition and price is a challenge.

Commodity focus: Coal, graphite, zinc, gold, copper and iron ore.

Regional focus: Namibia, Zambia, Botswana, Tanzania, Ethiopia and Mozambique.

OUTLOOK AND KEY DRIVERS

- Re-enter the metals and minerals market in South Africa and neighbouring countries.
- High focus in the short term on real SMP and E&I construction opportunities.
- Partnering for specific EPC opportunities.
- Engage junior and mid-tier miners early to assist in the development of their businesses to secure exclusive downstream implementation (EPC and O&M).

DIFFERENTIATORS

- Superior construction delivery ability and proven track record.

ELECTRICAL & INSTRUMENTATION SECTOR

IPP PROJECTS

Support internal Murray & Roberts IPP projects.

TRANSMISSION PROJECTS

Strategic partnership with Shanghai Electric in Africa.

2018 AND BEYOND

Focused and disciplined support to Sasol operations with E&I capabilities.

OUTLOOK AND KEY DRIVERS

- Re-enter the metals and minerals sector in South Africa and neighbouring countries – Mozambique, Namibia, Zambia and Botswana.
- Enter the oil and gas sector in South Africa and Mozambique.
- Leverage and support Group power and water projects.
- Shut-down work opportunities on existing fleet with Eskom and petrochemical refineries.
- Support IPP programme.

DIFFERENTIATORS

- 33 years of experience in mining & minerals, power & energy, iron & steel, water treatment, industrial and transport infrastructure sectors.
- Extensive African experience
- Experienced and competent field personnel.

PROSPECTS

The completion of the power programme at Medupi and Kusile will create capacity to provide maintenance services through the platform's skilled and experienced workforce. This capacity is also transferable to South Africa's new IPP coal base-load opportunities. The platform is engaging with the selected EPC contractors on two major projects.

Opportunities also exist in the REIPPP programme, with the Power & Water platform being positioned to secure work in the gas-to-power and solar (LNG Power Producer Procurement Programme: Coega (1 000MW) and Richards Bay (2 000MW)) sectors. Government's delay in signing off these projects is disappointing.

Obtaining preferred bidder status on the George Biomass project was an important achievement and comprises full project life cycle participation. Murray & Roberts Limited holds an equity position in the project and continues to seek additional projects where it can invest in development and equity ownership, to create additional project opportunities for the platform.

The platform's investment in Secunda, recent project delivery success and HSE initiatives, have positioned it as an important service provider to Sasol. This oil and gas delivery model will be extended to Sasol's facilities in Sasolburg.

It is likely that emergency water situations will continue to arise in parts of South Africa. Aquamarine's small capacity water treatment plants can be quickly deployed at short notice and water quality and quantity are guaranteed. In addition, Murray & Roberts Water's exclusive strategic partnership with Osmoflo allows the rapid deployment of medium-sized sea water desalination plants.

Opportunities are expected in wastewater treatment due to increasing environmental pressure to upgrade dysfunctional treatment plants and reuse treated effluent. Growth is also expected in the industrial sector as businesses look to secure water and reduce water costs through reuse and recycling. Aquamarine's containerised water and wastewater treatment solutions are highly transportable and rapidly deployed, providing an opportunity for broader market participation.

An Organica demonstration wastewater treatment plant will be commissioned later in the year and operated for 12 months at Verulam wastewater treatment works for the eThekweni Municipality. This should stimulate the uptake of this unique technology. A feasibility study is in progress for Life Health to provide water security and recycling solutions to their hospital facilities countrywide. Subject to feasibility, the project is expected to commence towards the end of the 2017 calendar year. Most of the equipment for these solutions will be supplied by Aquamarine, which has the potential to transform Murray & Roberts Water's growth prospects.

Growth will be mainly organic, supported by strategic partnerships that position the platform for opportunities and expand and complement its existing service offering.