

# **INTERIM REPORT TO STAKEHOLDERS**

FOR THE SIX MONTHS ENDED DECEMBER 2006

**Murray  
& Roberts**

*“We have built a formidable  
performance platform to engage the  
future potential of all our markets”*

Group Chief Executive **Brian Bruce**



**ANNUAL REPORT 2006**

The directors remain of the view that the next few years will be positive for the Group and that including the consolidation of its acquisitions, revenues could be at substantially higher levels by 2010 at the target operating margin of between 5,0% and 7,5%.

The overall positive performance of Murray & Roberts is expected to continue in the year ahead.



125%

- INTERIM DIVIDEND TO 45 cents per share

108%

- HEADLINE EARNINGS TO 135 cents per share

86%

- OPERATING PROFIT TO R560 million

55%

- REVENUES TO R8,6 billion



54%

- ORDERBOOK TO R15,4 billion

- 6,5% OPERATING MARGIN

- R 485 million OPERATING CASH INFLOW

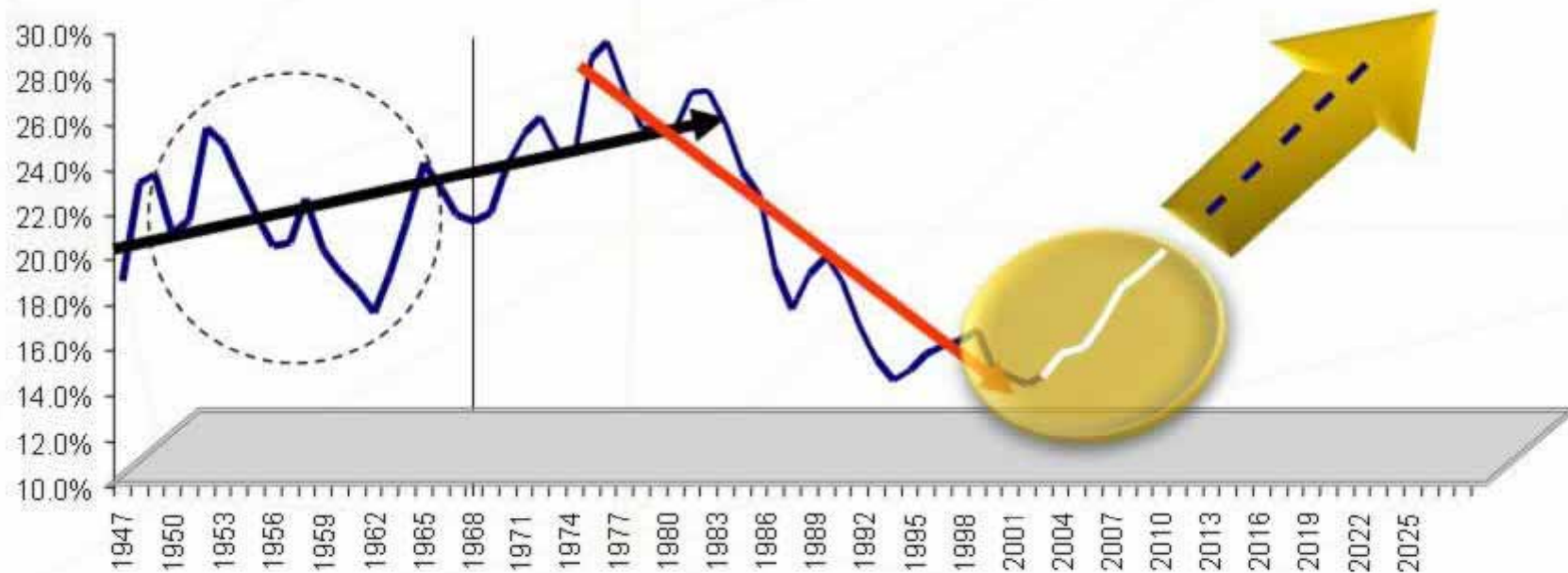






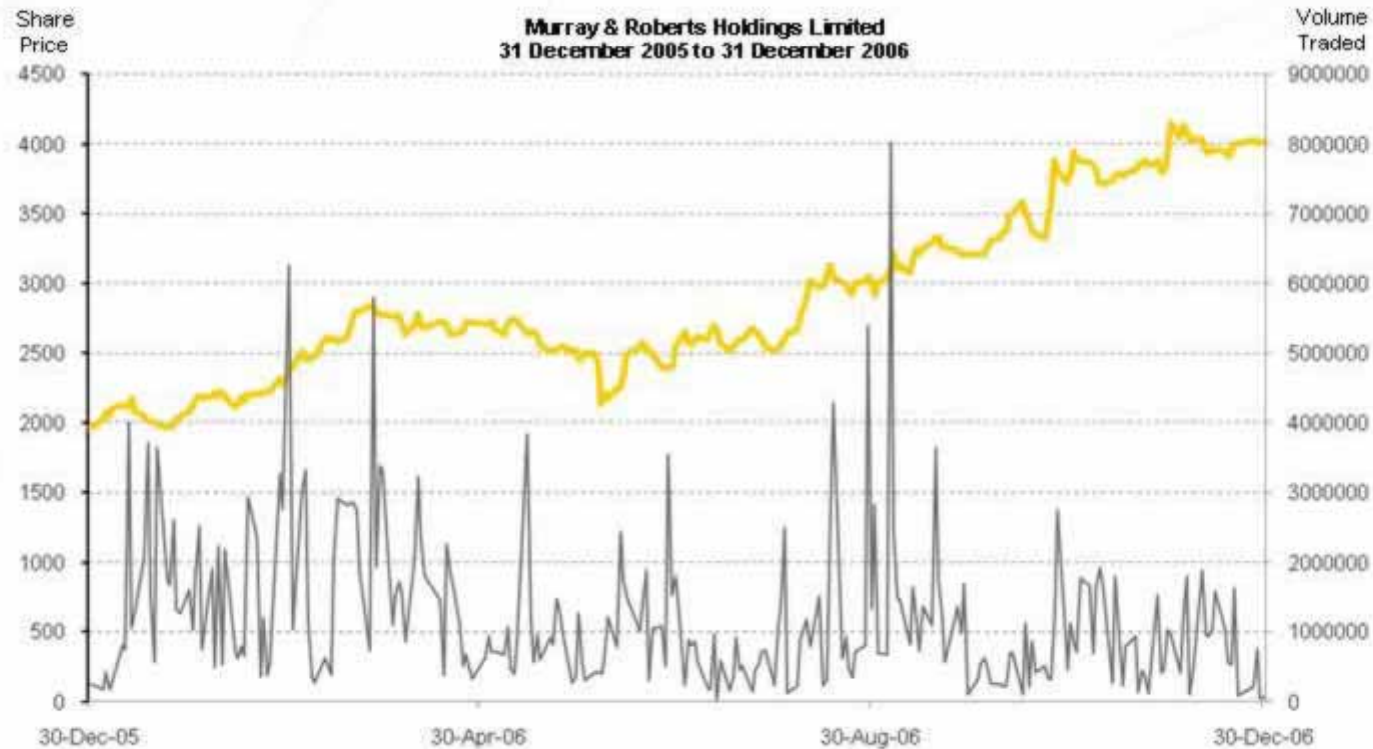


**SOUTH AFRICA GFCF as a % of GDP**





## SHARE PERFORMANCE



The Share Price has improved by R34,00 since 31 December 2005  
Market Capitalisation has risen above R17 billion

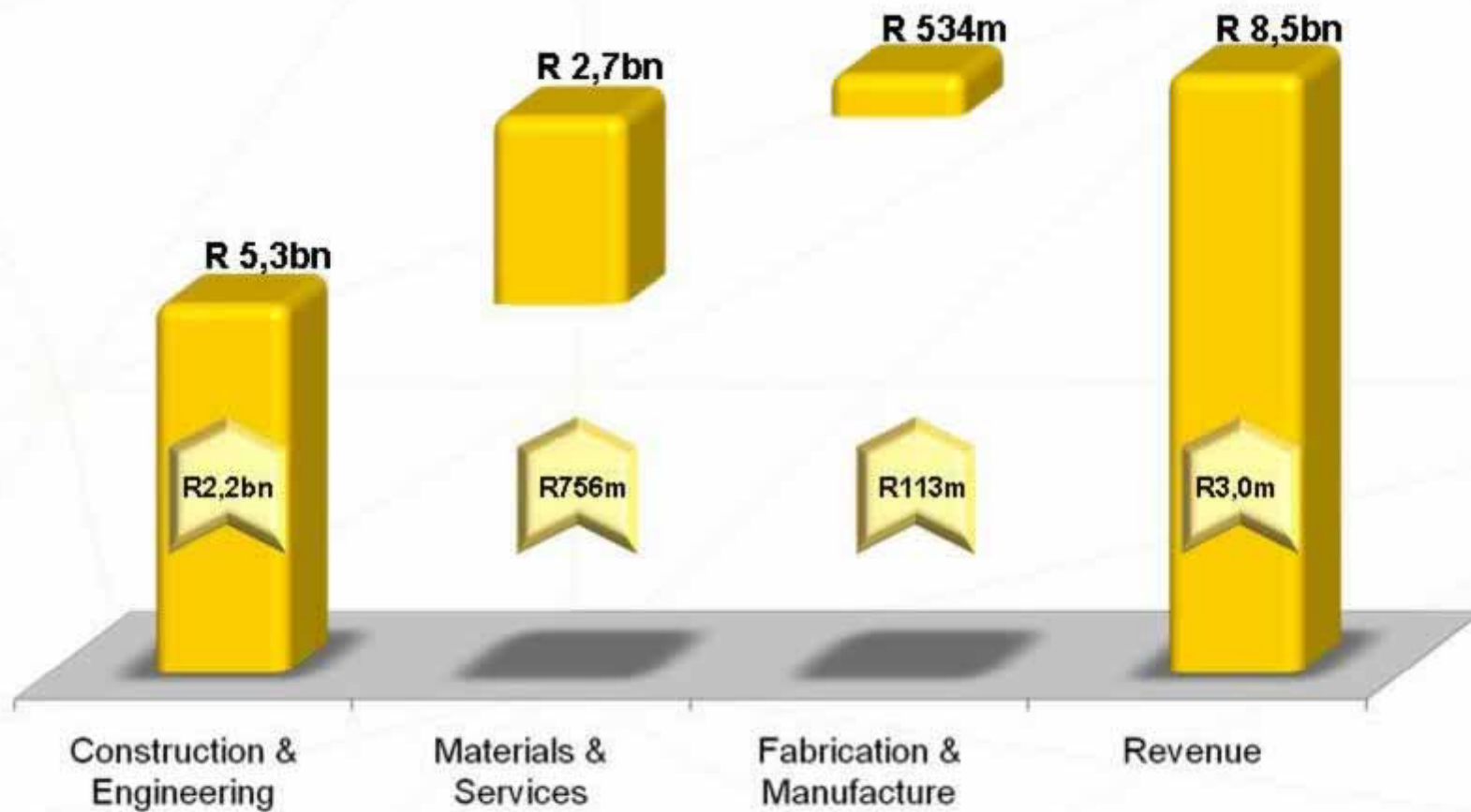


**A STRONG BALANCE SHEET**

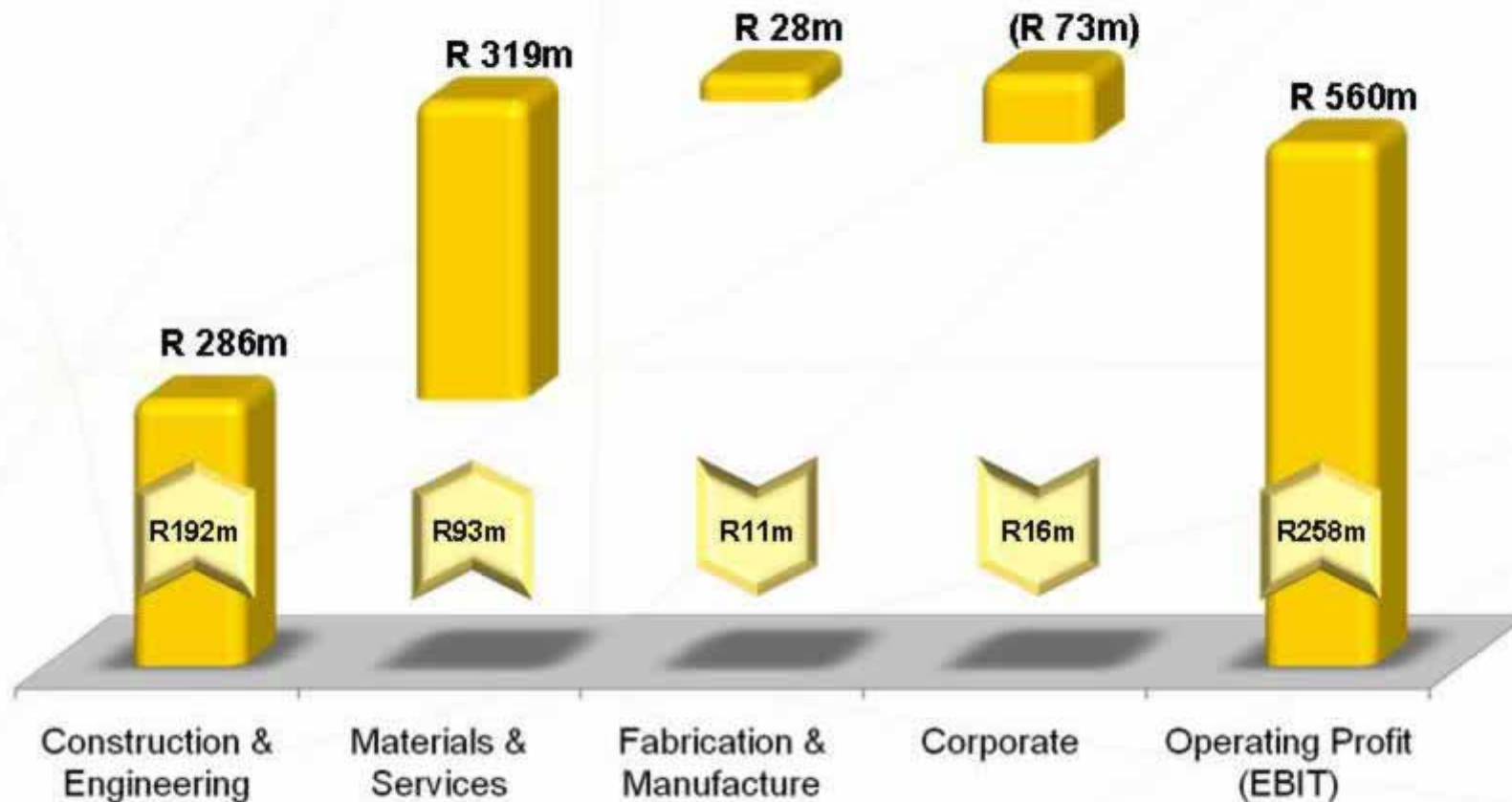
(R millions)	Dec 2006	Dec 2005
<b>TOTAL ASSETS</b>	<b>10 675</b>	<b>6 815</b>
Cash	1 753	1 113
Fixed & Current	8 922	5 702
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>10 675</b>	<b>6 815</b>
Permanent capital	3 524	2 793
Non-current liabilities	1 178	859
Current liabilities	5 973	3 163



**REVENUES UP AND GROWING**

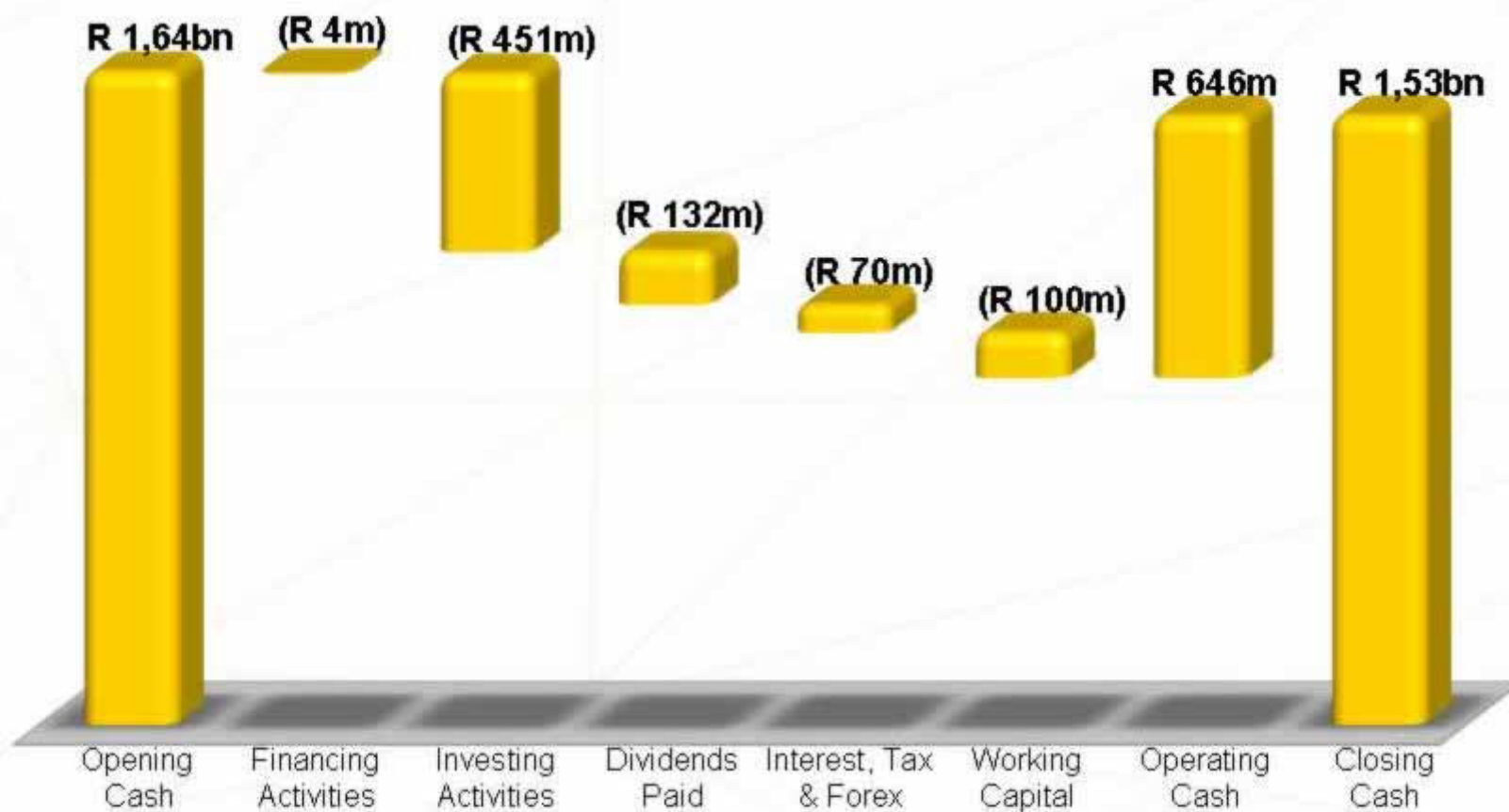


**OPERATING PROFIT UP – MARGIN 6,5%**





**STRONG CASH FLOW**





**CONSTRUCTION SADC**



**Margin : 4,5% (Dec 2005: -2,6%)**



**CONSTRUCTION MIDDLE EAST**



**Margin : 5,2% (Dec 2005: 4,5%)**



**ENGINEERING CONTRACTING**



**Margin : 4,9% (Dec 2005: 7,2%)**



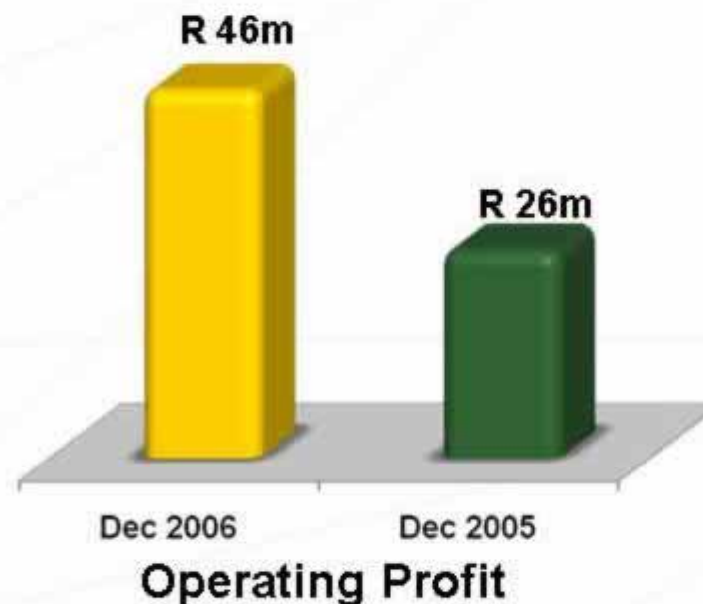
**MINING CONTRACTING SADC**



**Margin : 6,0% (Dec 2005: 4,1%)**



**MINING CONTRACTING INTERNATIONAL**



**Margin : 8,0% (Dec 2005: 7,0%)**





**CONSTRUCTION MATERIALS - STEEL**



**Margin : 5,4% (Dec 2005: 5,6%)**



**CONSTRUCTION MATERIALS - FABRICATION**



**Margin : 4,6% (Dec 2005: 8,2%)**



**CONSTRUCTION MATERIALS - INFRASTRUCTURE**



**Margin : 20,6% (Dec 2005: 20,0%)**



**CONSTRUCTION MATERIALS - HOUSING**



**Margin : 15,4% (Dec 2005: 20,0%)**



**CONSTRUCTION SERVICES**



**Margin : 36,6% (Dec 2005: 17,4%)**





**INDUSTRIAL MANUFACTURING**



**Margin : 5,3% (Dec 2005: 9,3%)**



**CLOUGH LIMITED**

(AUD millions)

	Dec 2006	Dec 2005
Revenue	286	304
EBIT	16,6	(14,6)
Attributable Earnings	10,7	(16,7)



## **CORPORATE ACTIVITY**

### **ACQUISITIONS**

- ▶ Recapitalisation of Clough – A\$23,3m : Shareholding increased 0,7%
  - ▶ Clough Shares purchased - A\$5,1m : Shareholding increased 3,0%
  - ▶ Wade Walker South Africa – 80% Shareholding
- } Current shareholding 49%

### **DISPOSALS**

- ▶ Borbet South Africa
- ▶ Foundries



# GAUTRAIN AND 2010 WORLD CUP

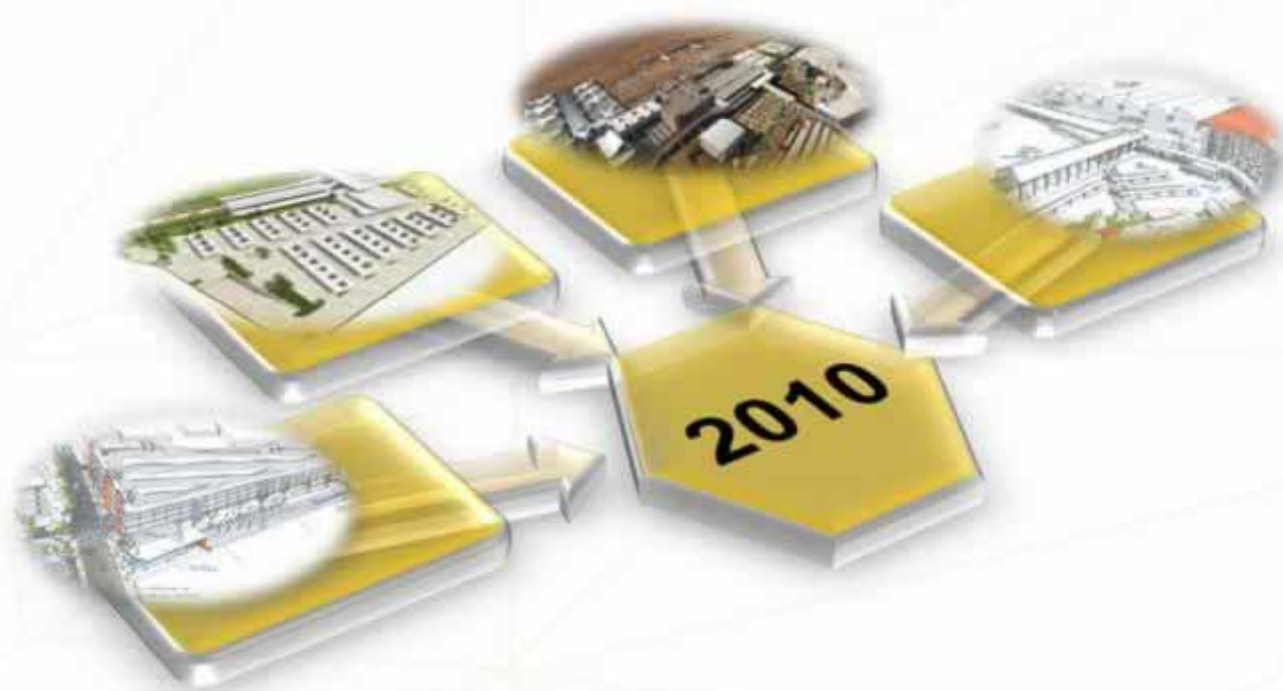


- ▶ Government Positional Power vs Contractors Capacity
- ▶ Black Economic Empowerment
- ▶ Risk of design
- ▶ Identifying opportunities to pursue
- ▶ Appointing executive capacity
- ▶ Partnering strategy
- ▶ Negotiating the commercial deal
- ▶ Opportunity to “re-tool” the organisation
- ▶ Major Project vs Ongoing Business
- ▶ Value of the Murray & Roberts brand





# GAUTRAIN RAPID RAIL LINK



# GAUTRAIN RAPID RAIL LINK

## DEVELOPMENT GOALS



## CONTRACT DETAILS

- ▶ Public Private Partnership (PPP) Concession Contract
- ▶ Client – Gauteng Provincial Government Department of Public Transport, Roads and works
- ▶ Concessionaire – Bombela Concession Company (Pty) Ltd
- ▶ Funding :
  - National & Provincial Government R22 billion
  - Private Sector Lenders R3 billion
  - Concession Partners Equity R500 million
- ▶ Concessionaire Obligations - To design, build, commission, (part) finance, operate and maintain the Gautrain System





# GAUTRAIN RAPID RAIL LINK

## IMPLEMENTATION SCHEDULE

**Preferred Bidder appointment**  
**2 July 2005**

Construction commenced  
28 September 2006

**Preferred Bidder Phase (Including  
preliminary design & utility relocation)**

OCD 1  
ORT – Sandton – Midrand  
section in operation

**Construction of ORT – Sandton –  
Midrand section (45 months)**

OCD 2  
Whole system in full  
operation

**Construction of the whole system  
(including Sandton – Johannesburg and  
Midrand – Hatfield sections) (54 months)**

**Operating Phase (15,5 years)**



## GAUTRAIN RAPID RAIL LINK

### ROUTE





## GAUTRAIN RAPID RAIL LINK

**This?**



**Or this?**



## GAUTRAIN RAPID RAIL LINK



- ▶ Maximum speed 160 – 170kph
- ▶ Frequency 10 – 30mins
- ▶ Minimum operating hours 05h30 – 20h30
- ▶ Safety & security paramount
- ▶ Indicative single journey fare (current pricing)
  - Sandton to Rosebank (6km) – R10
  - Sandton to Park Station (12km) – R13
  - Sandton to Pretoria (45km) – R20
  - Sandton to ORT (20km) – R70



# GAUTRAIN RAPID RAIL LINK

## RAILWAY ALIGNMENT



77 km track-work by systems contractor





# GAUTRAIN RAPID RAIL LINK

## EARTHWORKS

Approx 50 km,  
7.1 million m<sup>3</sup> of cut to fill / spoil



# GAUTRAIN RAPID RAIL LINK

## TUNNELS



Approx 15 km,  
drill & blast / TBM





# GAUTRAIN RAPID RAIL LINK

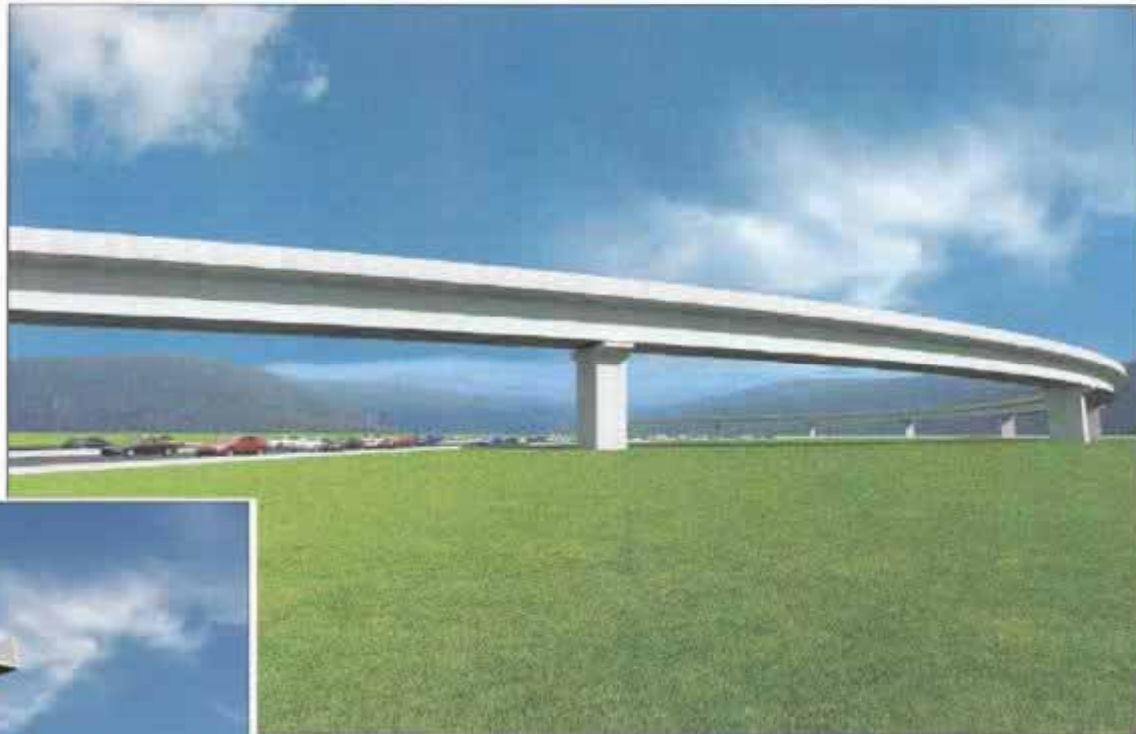
## CUT & COVER STRUCTURES

Approx 1.0 km



## VIADUCTS & BRIDGES

Approx 10.5 km viaducts,  
55 over / underpasses



## GAUTRAIN RAPID RAIL LINK

### STATIONS



10 stations – underground, surface or elevated  
10 000 car parking bays





# GAUTRAIN RAPID RAIL LINK

## DEPOT & OPERATIONAL CONTROL CENTRE



# GAUTRAIN RAPID RAIL LINK

## ELECTRICAL & MECHANICAL SYSTEMS





# GAUTRAIN RAPID RAIL LINK

CONSTRUCTION PROGRESS

## PARK STATION



**ROSEBANK**





**SANDTON**



**MUSHROOM PARK**





**MARLBORO PORTAL**





# GAUTRAIN RAPID RAIL LINK

CONSTRUCTION PROGRESS

## MIDRAND DEPOT



# GAUTRAIN RAPID RAIL LINK

CONSTRUCTION PROGRESS

## OR TAMBO STATION



**Murray  
& Roberts**

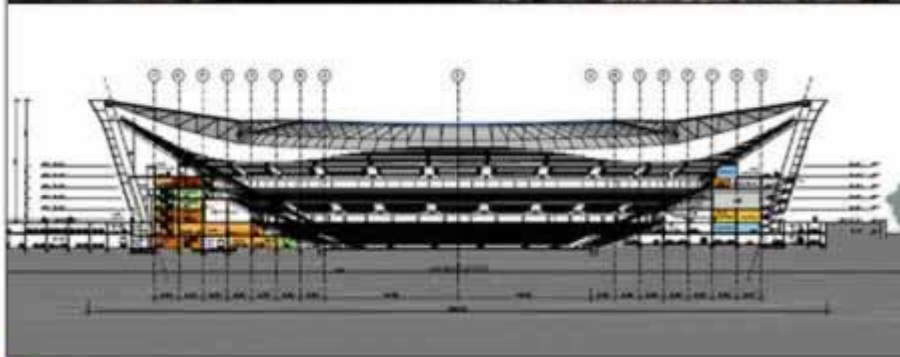
**2010 WORLD CUP**



**GLOBALISING MURRAY & ROBERTS**



**CAPE TOWN**



**GREENPOINT STADIUM**

- ▶ Murray & Roberts preferred bidder
- ▶ Joint venture with WBHO
- ▶ 68000 seater
- ▶ Construction completion in 34 months
- ▶ Value ± R2 billion





## PETER MOKABA STADIUM

POLOKWANE



- ▶ Concor preferred bidder
- ▶ Joint venture with Hochtief Construction AG (Germany) and Motheo East (Pty) Ltd (BEE construction company)
- ▶ 45000 seater
- ▶ Construction completion in 25 months
- ▶ Value ± R1 billion

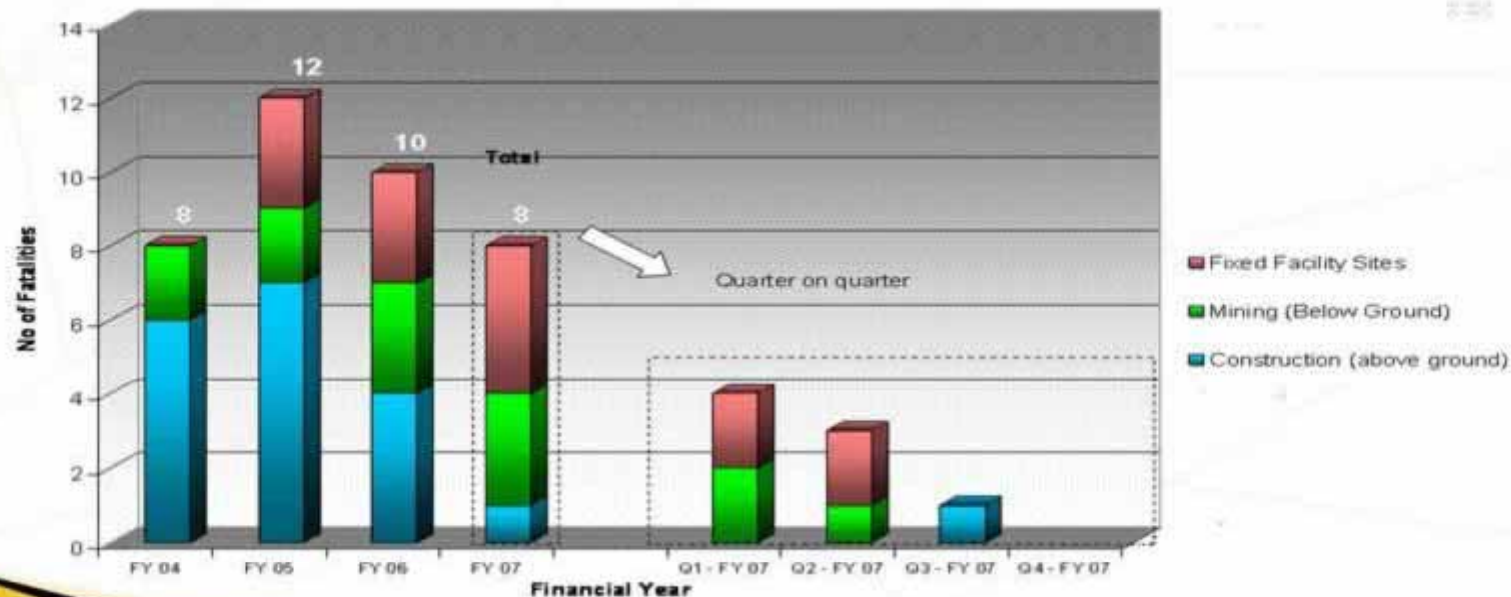


## FATALITIES (all in South Africa)

**8 no (Dec 2005 : 5 no)**

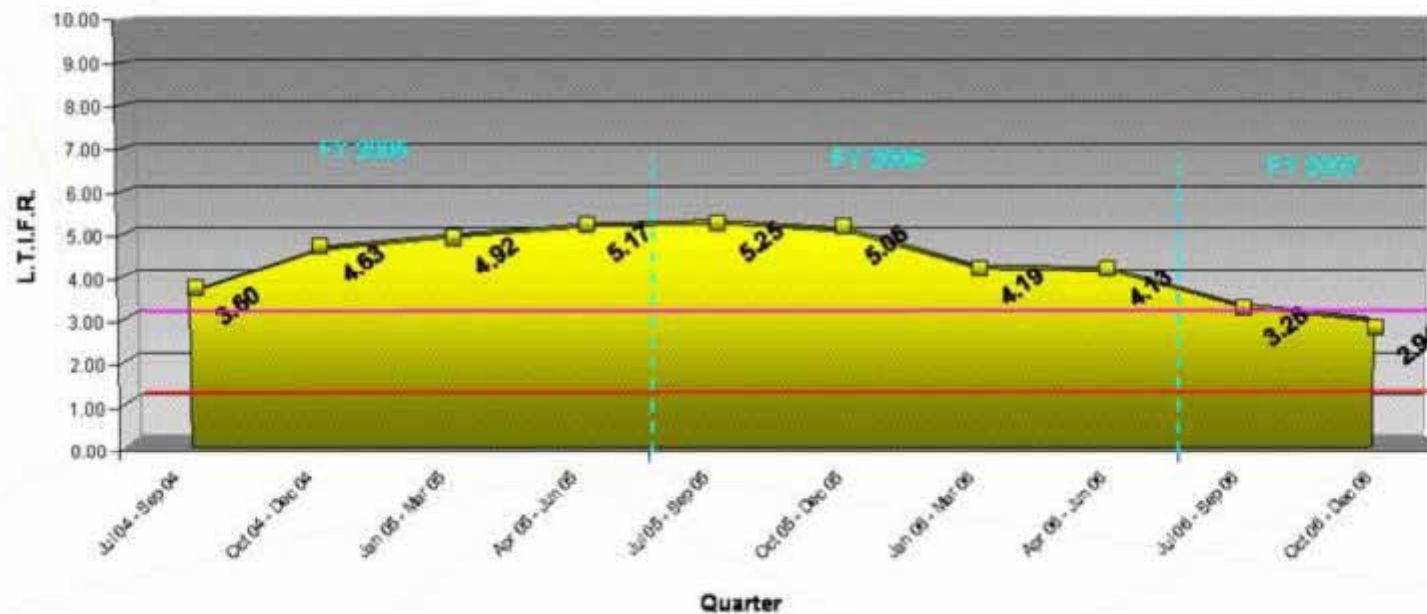
- ▶ Construction - Above ground 1 no (Dec 2005 : 3 no)
- ▶ Construction – Below ground 3 no (Dec 2005 : 2 no)
- ▶ Materials & Services (Fixed Facility Sites) 4 no (Dec 2005 : Nil)

**Murray & Roberts Group - Historical Fatalities**



**LOST TIME INJURY FREQUENCY RATE**

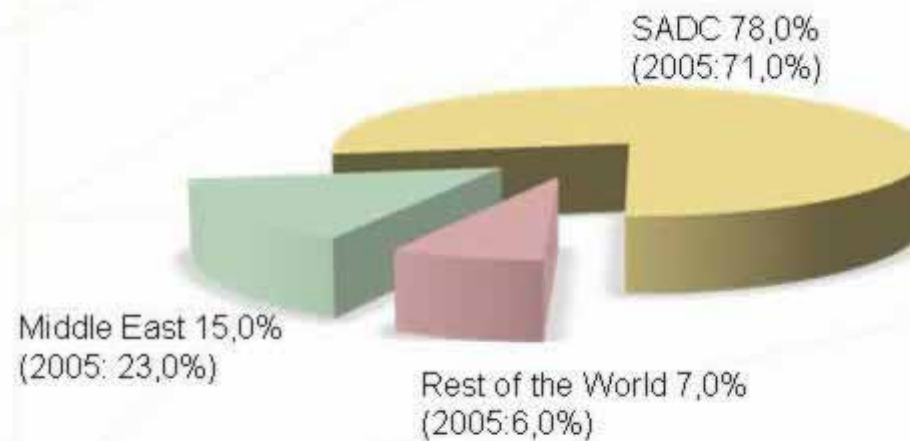
- LTIFR : 2,94 in 80,95 million hours worked (Dec 2005 : 5,67)

**Historical Group Statistics - Jul 04 - Dec 06**



## PROJECT ORDER BOOK

Project Order Book  
R15,4 billion at 31 December 2006

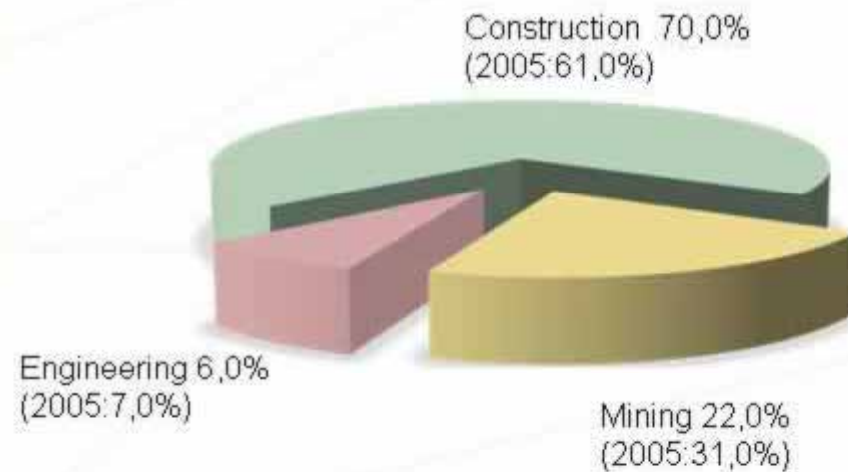






## PROJECT ORDER BOOK

Growth in Order Book  
54,0% to 31 December 2006



> R1,2 BILLION VALUE CREATED

**Letsema Bokamoso General Staff Trust**

**1,3%**

- > R 230 million value created for 14000 employees

**Letsema Khanyisa Black Employee Benefit Trust**

**2,2%**

- > R 5,9 million cumulatively available for distribution

**Letsema Vulindlela Black Executive Trust**

**3,0%**

- > R 22 million value created for first 120 executives

**Letsema Sizwe Broad-Based Community Trust**

**3,5%**

- >R 9,2 million cumulatively available for distribution



**PROSPECTS**

The directors expect fully diluted headline earnings for the full year to 30 June 2007 to grow between 50% and 70% compared with comparable period to 30 June 2006, excluding the Group's BBEE transaction expenses





# THANK YOU

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



**Murray  
& Roberts**