

March 2007

MURRAY & ROBERTS GROUP MAGAZINE

# ROBUST



**ACQUISITION &  
DISPOSAL**  
STRONGER  
MAJOR PROJECT  
CAPACITY

CEMENTATION  
CANADA  
**A MINING  
FORCE IN  
NORTH AMERICA**

**JACK CHEETHAM  
AWARDS**  
WINNING  
AGAINST  
THE ODDS

## LEADERS OF THE FUTURE

Uncovering fresh solutions

### MAJOR PROJECTS

Gautrain, soccer stadiums

# Target 2010

Succession planning for sustainable growth



**WORLD CLASS FULFILMENT IN EVERYTHING WE DO**

## CONTENTS

# TARGET 2010

DEVELOPING LEADERSHIP  
PAGE 1

### 1. COVER STORY

Murray & Roberts plans to significantly increase its revenue and earnings by 2010

### 4. STRATEGY IN ACTION

Developing leaders of the future

### 6. MAJOR PROJECTS

Gautrain, Douglas Roberts Centre and 2010 Stadiums

### 8. OPERATIONS

Cementation Canada excels in financial and safety performances

### 10. ACQUISITION & DISPOSAL

Murray & Roberts acquires Wade Walker, disposes of Borbet SA

### 12. PEOPLE

John Cooper, Barry Upton, Dhiren Singh, Andrew Langham, Craig Lawrence, Caswell Makama, Andrew Skudder and Lerato Motaung

### 14. JACK CHEETHAM AWARD

NEMATO Rowing Club wins the 2006 award

### 16. WEEKENDER

Win a weekend away for two

**Editor: Lesley Lambert e-mail: [lesley@wisenet.co.za](mailto:lesley@wisenet.co.za), tel + 27 11 325-5388, fax + 27 11 325-5315**

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.

*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.

 **PROFIT PARTNERSHIP**  
Business Communication Leaders



## MESSAGE FROM THE CE

### DEAR READERS

Along with most securities exchanges in the world, the JSE Limited is trading at an all time high, driven by positive investment sentiment towards South Africa and its markets. The construction sector has experienced a particularly positive run, with Murray & Roberts leading the sector in value growth over the past year.

We breached R17,0 billion market capitalisation in February and it seems almost impossible that just seven years ago, the company was valued at less than R1,0 billion. But there is much more to this. We have more than trebled our core revenues during this period and our profits in these operations are up almost tenfold. We now directly employ almost 30 000 people and at least a further 20 000 people fall indirectly under our management through our various joint venture and associate operations.

We have developed a fantastic depth of leadership and management throughout our Group, clustered into various performance teams and mandated to engage their markets for sustainable earnings growth and value creation. We have strong values that bind us together as an organisation and that set the framework for how we go about our business. We do have lapses, but fewer these days, and we have effective mechanisms to deal with them.

### But what of the future?

We have already stated that we expect further growth over the years ahead, both from our expectantly buoyant markets and our own strategies that have given us greater access to those markets. We expect that by 2010 the Group will possibly be five times larger than it was in 2000, serving its core markets in the construction economy. To achieve this we will have disposed of non-core companies worth R2,0 billion and acquired new core businesses also for a consideration of R2,0 billion.

Our performance challenge has never been greater than what it is going forward from today. Murray & Roberts is our company and its future is the responsibility of us all. The Leadership Pipeline you will read about in this *Robust* offers the opportunity for every person with talent, commitment and performance to achieve their personal objectives in Murray & Roberts.

**Brian Bruce**





# TARGET 2010

By 2010 Murray & Roberts plans to significantly increase its revenue and earnings, with about one-third of its business generated abroad. *Ciaran Ryan* asked CE Brian Bruce what the Group will look like beyond 2010



Look for an organisational chart in Murray & Roberts and you will not find one. What you will find instead is a collection of clustered networks, as group CE Brian Bruce calls them. These are self-standing business units operating under strong, decentralised leaders, all pursuing a coordinated strategy that adds value to the Group.

This is quite a departure from traditional business practice. Organisational charts imply a hierarchy of seniors and juniors, of those who give orders and those who take them. Traditional business organisations borrowed heavily from military command structures, where initiative and enterprise are presumed to cascade down from the top. Anyone who has worked on a South African mine understands the importance of such structures. But, they are cluttered with many different job categories and managerial layers and communication is largely a one way flow, from top to bottom.

## “With a strong brand and enough projects, we will get the right people”

Murray & Roberts evolved from this kind of traditional business hierarchy to what it is today. In July 2000 Brian Bruce launched Rebuilding Murray & Roberts, a strategy aimed at achieving sustainable earnings growth and value creation after a period of decline in the late 1990s. The success of this strategy is evident in the financial and operational turnaround since 2000, when a new executive team was appointed. The Group subsequently embarked on Globalising Murray & Roberts, a strategy which benchmarks its operations and strategy against the leading construction and engineering firms in the world.

This was flanked by Murray & Roberts 2010, a short-term strategy focusing on the

delivery of sustainable value from increased market activity in all the Group’s markets.

“After Rebuilding Murray & Roberts wound down in 2006, we needed a new target, and the choice of 2010 – the year of the Soccer World Cup – was coincidental,” explains Brian. “All companies need targets and milestones.”

### WHAT DOES MURRAY & ROBERTS 2010 MEAN FOR THE GROUP?

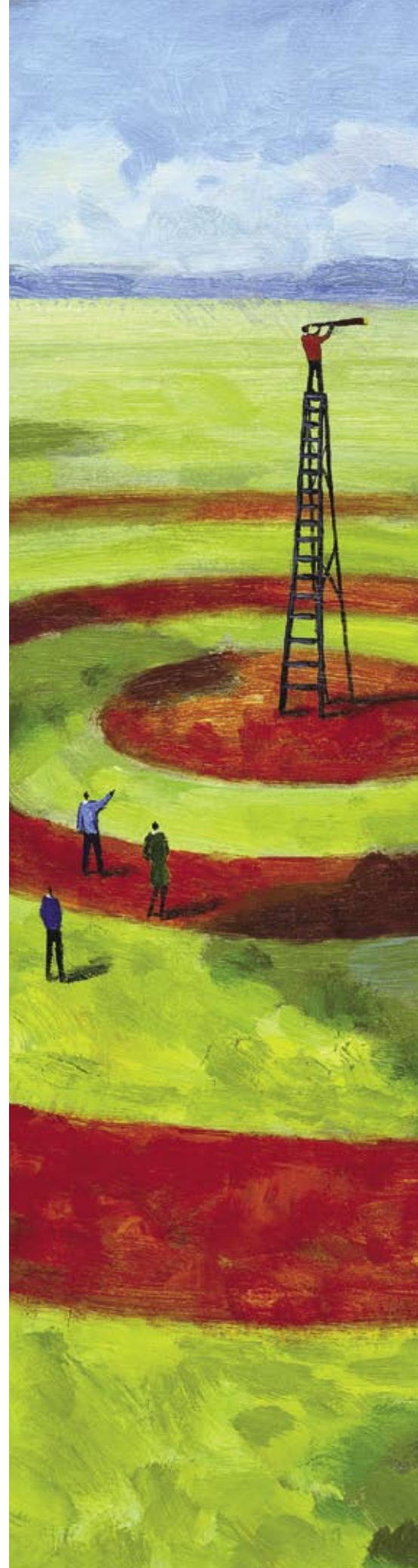
“It heralds the next leadership change in Murray & Roberts, since many of the current executive team will reach retirement age following 2010.”

The King Report on Corporate Governance for South Africa emphasises the need for succession planning as an essential ingredient in creating sustainable business growth, though in most organisations this does not receive the attention it warrants. Brian says Murray & Roberts is blessed with an abundance of talent, due in part to its policy of pursuing strong, decentralised leadership. The strength of the brand, coupled with a healthy

pipeline of orders, acts as a natural magnet for skills.

The quality of an organisation’s human capital is the key to competitive differentiation. Murray & Roberts has had considerable success in attracting expatriate South African and other executives from the international construction sector. Many of these have experience in far-flung markets that can now be put to excellent use within the Group as it embarks on its next phase of growth.

The much-publicised skills shortage across the construction and engineering sector is a reality that will not disappear in the near-term. “We lose and replace



people all the time, but the so-called 'churn rate' has increased, and this is something we are very concerned about. We tend to be most successful when we have good leaders capable of motivating people. We also made a strategic decision to focus on quality work, where the margins are right, rather than just fill the order book."

Not that Murray & Roberts is afraid of taking risks. Risk is the cornerstone of the free enterprise system, and the job of management is to identify, measure and contain these risks.

After six years Rebuilding Murray & Roberts, there is a new and solid platform for growth going forward. The rebuilding phase involved shedding non-core assets and acquiring new assets that strengthened the core business clusters of Construction & Engineering and Construction Materials & Services. The acquisition of Cementation and nearly 50% in Clough has substantially expanded the Group's geographical reach into some of the world's most exciting markets. Cementation has operations in southern Africa, North America and Australia, and Clough operates out of Australia and South East Asia.

The Group has established a strong foothold in the Middle East market, where its business strategy is to focus on a limited number of mega-projects in partnership with local companies such as Nass in Bahrain and Al Habtoor in United Arab Emirates. The Middle East operations are coordinated from the Group's London office, with a business strategy that is fundamentally different from that pursued in South Africa. There are fewer competitors in these markets, and the scale of projects undertaken is much larger than is the case in South Africa.

Globalising Murray & Roberts will continue up to and beyond 2010. South Africa will remain the home base for the Group, from which it will service the expanding markets of southern Africa.

These will account for roughly two-thirds of the Group's business, with one-third coming from overseas operations. The acquisition of Concor was successfully completed last year, and the company is now being positioned as a major player in the South African infrastructure sector. Concor, like Murray & Roberts, has a distinguished record of building landmark infrastructural projects across southern Africa, and is well positioned for the growth in public sector infrastructure now underway.

"South Africa is where Murray & Roberts is headquartered, and represents the core of what we do. We have established the capacity to tap into whatever the construction economy offers us," says Brian.

The range of group activities spread across multiple sector and geographic zones appears dauntingly vast and complex to the outsider, but there is an elegant simplicity to the Murray & Roberts structure. Each of these activities complements the overarching goal of delivering world class construction and engineering services to the construction economy. They represent an interlinking network of clustered businesses that add value to the Group as a whole. This clustered network business model allows businesses to operate independently of each other, yet subscribe to a set of common values.

"For this to work you need a strong belief system, which in our case is a non-negotiable commitment to sustainable earnings growth and value creation," says Brian. "You also need a driver to change the status quo. In our case, we have sought credibility and greater value from the market than many of our competitors by pursuing premium quality work at higher margins. There is always a risk in doing this, and sometimes we have lost work because we have not been able to

secure contracts on reasonable terms and conditions."

Another critical element in the clustered network business model is the need to lubricate the channels of communication in the organisation. "The big challenge for us is how to access our 30 000 people all over the world, and I am not satisfied that we have fully solved this one yet," says Brian.

A number of strategic initiatives have been launched to build better relations between executives, staff and clients. Ask Brian and the CE Discussion Forum open a direct channel of communication between staff and senior executives while Tip-Offs Anonymous, offered by an independent service provider, has been effective in identifying fraud and other irregularities. Two years ago, the Group launched ClientService as an interactive facility to improve the response quality of communication between Murray & Roberts and society. This facility currently processes more than 2 000 calls a month and has recently been expanded to cater for an increased inquiry load.

Of all the challenges facing Murray & Roberts, none is more important than succession planning. The pool of available talent has been strengthened by decentralising management and demanding performance and accountability of executives. With the growth in the project pipeline, the Group has been able to recruit skills from outside the construction and engineering sectors to augment its skills base. A leadership development initiative, headed by Andrew Skudder and driven from the CE's office, ensures Murray & Roberts is adequately prepared for its 2010 objectives and for future challenges beyond 2010 when many from the current executive team will be thinking of retirement.

The bottom line: the future for Murray & Roberts is assured, and a new corps of executives is waiting in the wings. ○

# LEADERS OF THE FUTURE

**F**or South Africa, the 2010 Soccer World Cup coincides with a global trend of increased investment in infrastructure – a trend that many analysts predict as being the most dramatic increase in construction activity in our country's history. Following more than two decades of decline, this will raise the profile of the engineering and construction industry and drive demand for human capital and leadership talent.

Murray & Roberts views its leadership teams as a key source of competitive advantage and has implemented a strategy to uncover fresh solutions to prepare them for a period of sustainable growth.

## WHAT IS LEADERSHIP?

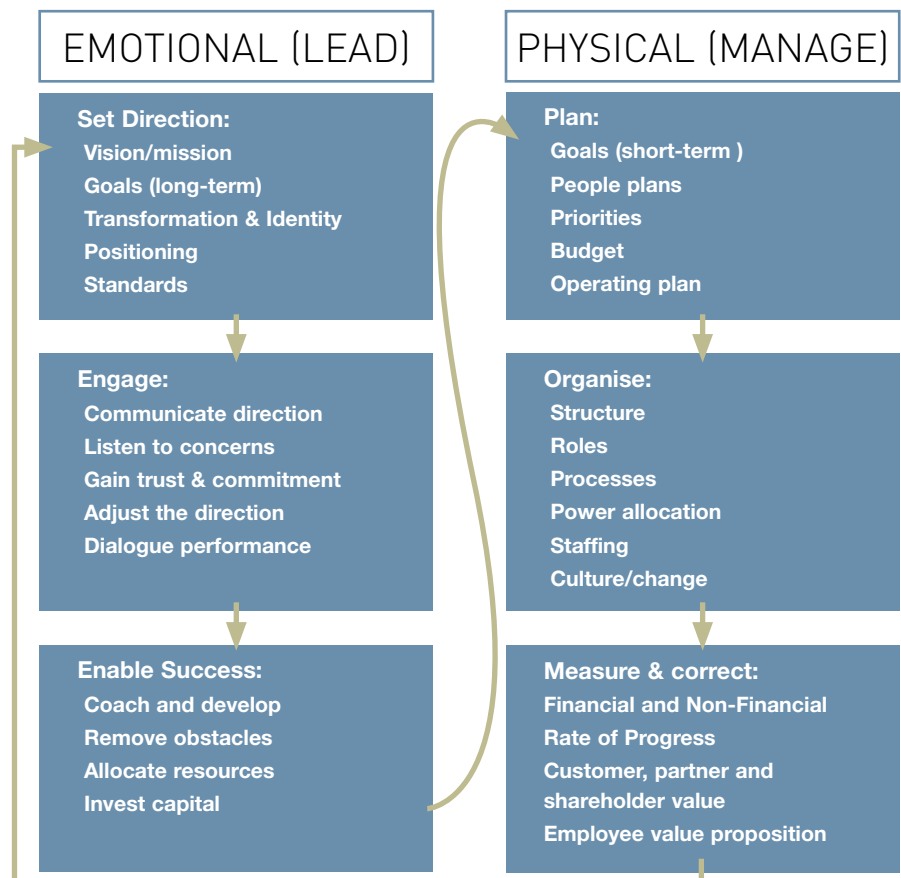
The topic of leadership has been written about and debated in numerous business journals and books and although there is no single definition, it is generally accepted that leadership is as much an art as a science. Perhaps the best way to explain the concept of leadership is to consider the expected outcomes of good leaders. In his book *Leadership is an Art*, Max du Preez writes that “the signs of outstanding leadership appear primarily among the followers. Are the followers reaching their potential? Are they learning? Serving? Do they achieve the required results? Do they change with grace? Manage conflict?”

So what do good leaders do to achieve these kinds of outcomes? As depicted alongside, good leaders demonstrate the ability to manage

and lead. Good management on the other hand, requires the ability to plan, developing short-term goals and operating plans, the ability to organise, structuring an organisation and clearly defining roles, and the ability to measure and correct the activities of an organisation and its team members.

Sound management is however not enough to deliver outstanding leadership results. Leaders need to set direction for themselves and their teams, engage by communicating and listening to all stakeholders and, importantly, enabling the success of their team members through coaching and development.

## What strong leaders do



# In the first of a series of articles, *Andrew Skudder* outlines the Murray & Roberts strategy to develop leaders of the future

## THE LEADERSHIP PIPELINE

It is within this context that Murray & Roberts is implementing the Leadership Pipeline model and global performance standards as an accountability anchor to align and legitimise leadership development and succession across the Group. The Leadership Pipeline and performance standards clarify individual expectations and accountability to direct individual performance which in turn drives business results.

The basic idea behind the Leadership Pipeline is that different layers in the organisation are accountable for different results. These results change dramatically as you move from layer to layer, requiring new skills, using your time differently and valuing doing different and new work to achieve the results.

The different requirements of success at each layer are expressed as performance standards, which articulate what is expected against a set of performance dimensions, reflecting what strong leaders do. Murray & Roberts has developed specific performance dimensions that convey leadership expectations and requirements. Leadership is multi-dimensional and the Leadership Pipeline aligned performance standards are designed to cover a complete set of requirements for sustaining long-term success.

Murray & Roberts aims to deliver the leadership capacity the Group requires to achieve its growth and succession objectives through the introduction of a comprehensive leadership development framework based on the Leadership Pipeline model. ANDREW SKUDDER IS A CORPORATE EXECUTIVE RESPONSIBLE FOR LEADERSHIP DEVELOPMENT. ○

## THE DAVOS VIEW

*Millard Arnold* reports on the global views on leadership that emerged from Davos

**In a world caught in the throes of transition – a shift from the power equations of the old to a more fluid, dynamic future – the issue of leadership remains a constant.**

**This was more than apparent at the recently concluded annual meeting of the World Economic Forum where participants grappled with the increasing complexity of leadership.**

**For many, the basic issues remain: what skills do people need for the future and how can they be delivered?**

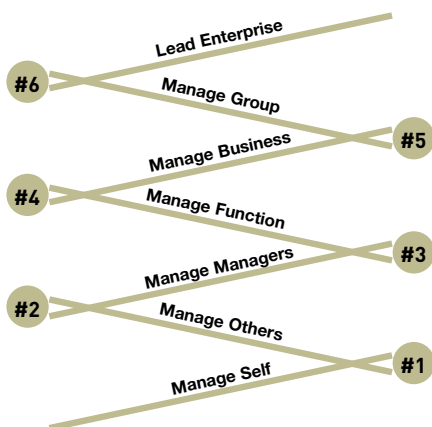
**There was a consensus that traditional curriculums and educational processes are inadequate in developing and developed countries alike, that business schools are not turning out people with the requisite interpersonal and cross-cultural skills (including appreciation of cultural differences), and that collaboration between government, business and education needs to be improved.**

**What has changed in the past decade is the emergence of instantaneous global communications and the need for instantaneous decisions.**

**The demand for 24/7, 365-day leadership has introduced a huge degree of stress. Despite the pressure, leadership continues to be about setting the tone, setting the agenda and choosing the right people. Having bright ideas and serving as a reference point are not necessarily a definition of leadership.**

MILLARD ARNOLD IS AN EXECUTIVE DIRECTOR OF MURRAY & ROBERTS LIMITED.

## The Leadership Pipeline & Results



#6	Getting results through comprehensive enterprise leadership & statesmanship
#5	Getting results through business managers & portfolio management
#4	Getting results through comprehensive business management
#3	Getting results through a function
#2	Getting results through managers
#1	Getting results through others
#1	Getting results through personal effort



# 2010 PROJECTS UPDATE

## GAUTRAIN

Construction on the Gautrain project is well underway following the achievement of a number of important milestones:

### May 2006

Initial works commenced including the relocation of utilities, road upgrades, demolition of identified buildings and installation of site offices.

### September 2006

Commercial negotiations with Gauteng Province were concluded.

### December 2006

Traffic diversions to redirect traffic away from the Rosebank Station construction site in the Rosebank CBD were implemented.

### January 2007

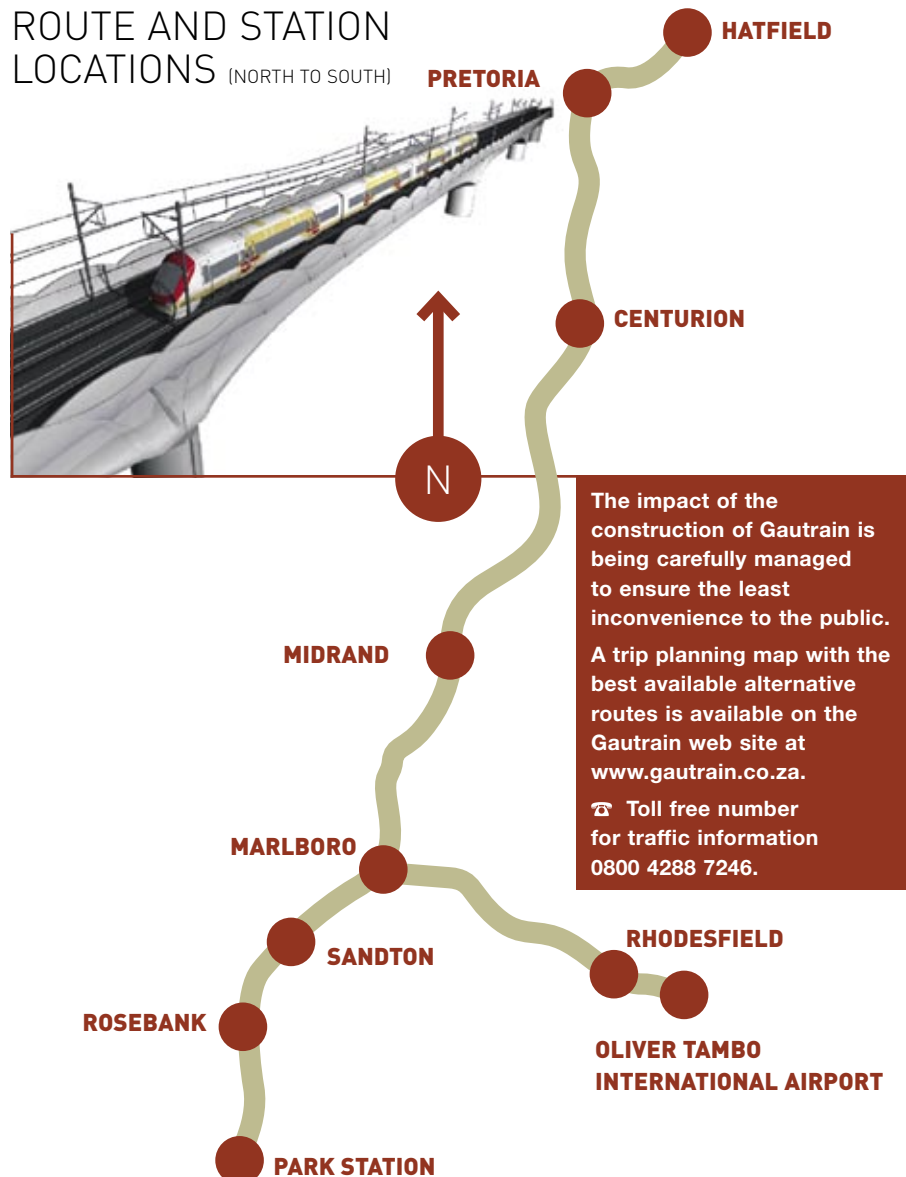
Bombela Concession Company finalised negotiations with Standard Bank and Rand Merchant Bank for the funding of Bombela's R3,1 billion commitment to the Gautrain project. All public and private partners are now onboard to ensure the delivery of Gautrain.

### February 2007

Four multiple storey buildings situated on the corners of Smit, Wolmarans, Eloff and Joubert Streets were imploded to make way for the Park Station Precinct.

Work is currently underway on the sinking of access shafts for tunneling in Dunkeld and Sandton and there has been progress at the Marlboro Portal which will provide access for tunneling under the N3. ○

## ROUTE AND STATION LOCATIONS (NORTH TO SOUTH)



The impact of the construction of Gautrain is being carefully managed to ensure the least inconvenience to the public. A trip planning map with the best available alternative routes is available on the Gautrain web site at [www.gautrain.co.za](http://www.gautrain.co.za).

☎ Toll free number for traffic information 0800 4288 7246.



# REDEVELOPMENT OF DOUGLAS ROBERTS CENTRE

Imagine if... just by walking though a door you are greeted with a tactile representation of the imagination and vision that makes Murray & Roberts great.

Over the past 10 months the Bedfordview landscape has undergone a dramatic transformation with the construction of the new Murray & Roberts five story parkade. This modern, steel clad structure forms part of an exciting project which includes a substantial redevelopment of the Murray & Roberts head office, referred to as "DRC".

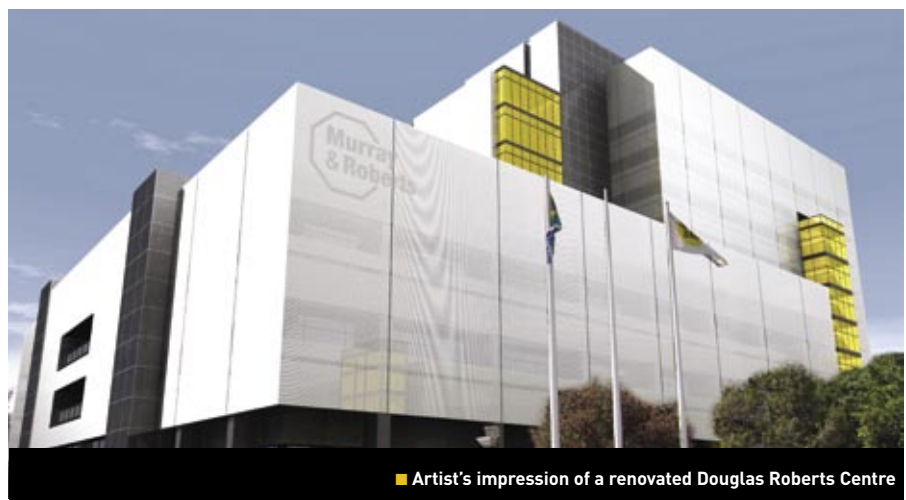
Once completed, DRC will offer staff and visitors alike:

- Secure parking for 488 vehicles
- A well appointed, welcoming reception area
- Modernised common areas, including lifts, ablutions and stairs
- New, fully equipped meeting rooms
- An ultra modern canteen facility.

An information drive entitled "Imagine if..." which aims to keep staff and visitors apprised of the project's progress, was implemented at the beginning of the redevelopment process. By launching various mini campaigns throughout key stages of the redevelopment of DRC, Murray & Roberts has endeavoured to ensure that everyone at head office feels part of the "Redevelopment Team" and that the excitement and anticipation of the final product is retained.

"As a global brand, our aim is to produce a building that showcases our international standing whilst retaining a modern yet distinctly South African flavour," says Carol-Ann Wolmarans, DRC Redevelopment Project Manager.

While the redevelopment of DRC is scheduled for completion in April 2008, the parkade will be ready for occupation on 12 March 2007. ○



Courtesy of Boogertman + Partners Architects

■ Artist's impression of a renovated Douglas Roberts Centre

## 2010 STADIUMS

**Cape Town Stadium:** Murray & Roberts, in joint venture with Wilson Bayley Homes, has been appointed preferred bidder for the new Cape Town Stadium in Green Point.

The multi billion Rand 68 000 seater stadium will be constructed on a portion of the Metropolitan golf course in Green Point. It will be 55 metres at its highest point and will require 130 000m<sup>3</sup> of concrete, 390 000m<sup>2</sup> of formwork, 12 000 tons of reinforcing steel, six million bricks and extensive finishes including a fabric façade. A unique feature of the stadium will be a steel cable tensioned glazed roof.

The project is scheduled to commence early in March 2007 and will involve a 34 month programme from the date of handover to ensure completion in time for the 2010 Soccer World Cup.

Extensive value engineering exercises are currently underway with the project consultants and the City of Cape Town to reduce costs.

**Peter Mokaba Stadium:** Concor, in joint venture with HOCHTIEF and Motheo, has been appointed preferred bidder for the new Peter Mokaba Stadium in Polokwane.

This multi million Rand 45 000 seater stadium will be constructed close to the existing stadium in Polokwane. On a footprint of 200m x 250m, construction will require 55 000m<sup>3</sup> of concrete, 162 000m<sup>2</sup> of formwork, 10 000 tons of reinforcing steel, 5 million bricks and extensive building finishes. The primary roof structure elements will comprise four, long span, tubular steel trusses supported on four slip-formed "Baobab" legs positioned in the corners of the stadium.

The project is scheduled to commence early in March 2007 and will involve a 25 month construction duration from the date of site handover to ensure completion well in time for the 2010 Soccer World Cup.

Extensive discussions are currently underway with the client, Polokwane Municipality, and their professional team, to finalise the contract and scope.

# A winning deal

Since Murray & Roberts acquired 100% of Cementation Canada in 2004, the company has excelled in its financial and safety performances, while maintaining strong client and employee relationships



■ Cementation team from CVRD-INCO North Mine site in Sudbury, Ontario, celebrating 1 000 days with no lost time injuries in September 2006. Safety statistics now show that this team has worked for over 1 170 days without a lost time injury

Located on the north shore of Lake Nipissing approximately 350km north of Toronto, North Bay is home to Cementation Canada, a company that carries out mine contracting and engineering work throughout North America. Working with some of the world's premier mining companies on current and completed projects from Mexico through to the high Arctic, Cementation Canada is recognised as the most active shaft

sinking contractor in North America's mining sector.

In recent years the company has also garnered recognition beyond the mining industry as North Bay Business of the Year in 2005 and inclusion to the list of Canada's top 100 employers for 2007.

Cementation recognises that success requires a skilled and knowledgeable group of people. Attracting and retaining the best people in the industry has been the foundation of the company's success.

With such a strong focus on treating employees well, it is no surprise that safety maintains a high profile in the company's culture. Cementation Canada has become one of the leaders of North America's mining sector in low injury frequencies. In recent months, two sites have celebrated over 1 000 days with no lost time injuries; Xstrata Nickel's twin shaft Nickel Rim South project and the lateral development project at CVRD-INCO Limited's North Mine.

The company's prime business is mines. However, with a strong multidiscipline engineering group in-house, Cementation Canada has design build capacity which goes beyond design work to include concept and feasibility studies. The philosophy behind this approach is that earlier contractor involvement will result in significant added value through accurate cost estimates and designs that are ultimately more constructible. This approach and concept has proven very successful for the Canadian company and its clients.

The Kidd Mine D #4 Shaft Project which was recently completed is a good example of this approach. The internal

Shaft Project feasibility work was carried out by Cementation, after which the company was successful in securing the detailed design and shaft sinking contract. The contractual arrangement



## MISSION STATEMENT:

**"To earn the distinction of being the mining contractor of choice of both Clients and Employees through excellence in safety, performance beyond all expectations, and building of long term relationships based on a best for project philosophy."**



■ Roy Slack, President of Cementation Canada



■ Nickel Rim South twin headframes designed by Cementation Canada

was established as an alliance contract. The internal shaft, which reached a final depth of 3 013 metres below surface, is the deepest shaft in the world outside South Africa, and the deepest base metal mine in the world.

Cementation Canada also operates the largest raise boring equipment in North America. The Robbins 123R machine, which is owned by RUC, is currently reaming a 5.5m diameter ventilation shaft over 640m in length at the Red Lake mine in Northwestern Ontario. The Robbins 97R machine, owned by Cementation, is also operating at the same property.

Cementation Canada has proven to be a valuable member of the Murray & Roberts Group. Since the acquisition, the company has more than doubled its volume and bottom line earnings. Future prospects are enhanced by a strategy to develop long-term relationships with key clients. ○



# STRONG



■ From Left: Darrell Caister, Steve Walker and Tadhg Bergin



■ Kansanshi Mining, Zambia

**M**urray & Roberts has acquired 80% of the shares in privately held Wade Walker with effect from 1 February 2007. The transaction was approved by the Competition Tribunal in January. The remaining 20% of the shares will be acquired from the current owners in terms of a performance contract covering the next three years.

Wade Walker is a medium-sized Gauteng-based electrical and instrumentation engineering contractor serving the South African and regional

industrial and mining sectors. The business worked alongside Murray & Roberts on a number of major projects before the acquisition and will strengthen the Group's existing mechanical, electrical and instrumentation capacity.

New market opportunities driven by increased global demand for natural resources, industrial products and energy have strengthened the order books of Murray & Roberts MEI and Wade Walker. While Wade Walker will operate as a self-standing business within Murray & Roberts to retain the strong reputation

and brand identity it has developed over 20 years, it will work in close partnership with Murray & Roberts MEI on major projects such as the new Natal Portland Cement clinker plant and the Voorspoed diamond mine.

In addition to these projects, Murray & Roberts MEI is currently working on the expansion of the Mufulira plant for Mopani Copper in Zambia, the Sappi Saiccor expansion, structural steel erection on Sasol's PP2 project, Tata Steel's ferrochrome plant in Richards Bay and Eskom's peaking plants in Atlantis and Mossel Bay.

# ER MAJOR PROJECT CAPACITY

## Murray & Roberts acquires reputable E&I business

Wade Walker has established a strong presence in Africa and is working on the Kansanshi copper mine in Zambia, the Bogoso mine sulphide expansion in Ghana and the Frontier copper mine in DRC. The company is also installing a diamond sorting plant on the De Beers Peace for Africa ship which mines for diamonds off the African west coast.

Steve Walker will continue in his role as MD of Wade Walker, supported by his directors, Tadhg Bergin and Darrell Caister. Murray & Roberts executive Edwin Hewitt has been appointed chairman and MEI MD, Simon Mordecai-Jones, a director. ○



■ Western Limb Tailings Retreatment Project, Rustenburg

## WHEELS FOR THE WORLD

**Murray & Roberts has disposed of its remaining 50% share in Borbet South Africa (Pty) Limited to Borbet GmbH. Borbet GmbH, a company incorporated in Germany and one of the top suppliers of alloy wheels to car manufacturers in Europe, entered into an investment arrangement with Murray & Roberts in 2003 to provide Borbet South Africa with access to international markets.**

# New Appointments

## CLOUGH



**John Cooper**, deputy chairman of Clough, was appointed chief executive and managing director of Clough on 9 January 2007.

John joined Murray & Roberts as CE of the Group's Australian operations and was appointed a non-executive director of Clough and deputy chairman in August 2006. He will now enter into an employment contract directly with Clough.

Murray & Roberts has steadily increased its shareholding in Clough since July 2004 and on two occasions in November 2004 and November 2005 rescued the company through the injection of funds for the issue of new shares. In December 2006, Murray & Roberts underwrote a further recapitalisation of the company, this time with the participation of all shareholders.

Murray & Roberts now has a 49,12% direct shareholding in Clough Limited with approximately 3,0% due in further shares after resolution of the Bass Gas

dispute through the conversion of a loan to the company.

Commenting on the appointment, Murray & Roberts CE Brian Bruce said: "Clough has experienced a difficult period over the past three years, following significant losses on the Bass Gas project in Australia and the Panda and G1/G15 projects in India. John is an experienced Australian engineering and contracting executive having operated for more than 30 years in the local and Southeast Asian markets. We are confident that he and the executive team at Clough will deliver a better future for the company and all its stakeholders.

"Clough forms an important platform to Murray & Roberts for future growth and value in the oil and gas and eastern hemisphere markets. Murray & Roberts has built its shareholding in Clough over the past 30 months with the support of the company and minority shareholders and has no immediate plans to make an offer for the remaining shares in the company."

## RUC MINING



**Barry Upton** was appointed managing director of RUC Mining Contractors on 1 August 2006. Barry is an Australian and a qualified mining engineer with extensive experience as a consultant and executive in the Australian and North American mining sectors. He has developed a track record in underground mining and will lead plans to expand our underground mining operations in Australia and Southeast Asia.

## CONSTRUCTION



The recent growth in new infrastructure opportunities has reinforced the need to establish more focused human resource leadership in the Group's construction business. As a consequence, **Craig Lawrence** has agreed to transfer from his role at corporate office to take up this challenge.

Craig has relocated to the Murray & Roberts Construction office at Elandsfontein where he will focus primarily on the demands of the Construction SADC cluster. Commenting on the appointment, Brian Bruce said: "I am pleased that we have been able to further strengthen our Construction SADC leadership capacity from within the Group."



## CONSTRUCTION MATERIALS & SERVICES



**Andrew Langham** (46) joined the Murray & Roberts executive leadership team on 1 February 2007 and is located at corporate office. He will work with Keith Smith over the next few months with the object of succeeding Keith before the end of this financial year in his responsibility for the Construction Materials sector.

Andrew worked at Murray & Roberts between 1994 and 1998 as divisional financial director in the Contractors Group. He was active in the engineering services, mining and marine contracting operations both locally and internationally and from 1997, engaged the rationalisation of the properties and housing development operations.

Andrew was appointed financial director of publicly listed Avis Southern Africa in 1998, which also included operations in Scandinavia and Australia. The company was acquired by Barloworld and delisted from the JSE Limited in 2004 after which he was appointed Group Financial Director of Barloworld Motors.

Andrew studied for his BCom at UCT and served his articles with Ernst & Young. He spent his early career before Murray & Roberts as group finance manager of a Cape Town based national construction company which listed on the JSE Limited in 1991.

## GROUP ACCOUNTING



**Dhiren Singh** has been appointed group accountant. Dhiren qualified with Deloitte as a Chartered Accountant in 2004 after completing a BCom (Hons) degree. He joined the Murray & Roberts corporate office in 2005 as an accountant in group accounting and has been responsible for consolidating and reporting for Murray & Roberts International.

## FABRICATION



**Caswell Makama** (48) has rejoined the Murray & Roberts executive team. He worked in the Murray & Roberts Contractors Group from 1994 and was appointed managing director of the reconstituted Murray & Roberts Properties Group in 1997 before resigning to follow his own business interests in 1998. Caswell is currently working with Edwin Hewitt in the fabrication cluster and Andrew Skudder on the Group's industrial offset (NIPP) strategy and is supporting Brian Bruce on matters relating to the skills shortage in construction.

## CORPORATE SOCIAL INVOLVEMENT



**Andrew Skudder** has taken group responsibility for Corporate Social Involvement (CSI) in addition to his existing commitments. He will lead and facilitate the activities of the Group's CSI Committee.



**Lerato Motaung** has been appointed group CSI coordinator in addition to her existing commitments. Lerato joined the Murray & Roberts corporate office in 2006 as executive secretary to Andrew and played a key role coordinating the Letsema Khanyisa Employee Benefits scheme selection process. She will continue to drive that process in addition to her new CSI responsibilities.

CSI is an important indicator of global best practice in almost all business sectors and forms a cornerstone component of Murray & Roberts culture.

# AGAINST THE ODDS

Prize money increases to R500 000



■ Nemato Rowing Club receiving the 2006 Jack Cheetham Award. (left to right) Tim Modise (MC), Rod McKinnon (President of Rowing South Africa), Jan Blom (Nemato head coach), Thabo Leshilo (Editor of Sowetan), Athenkosi Hlekani (Nemato club captain), Donovan Cech (SA Rowing Olympic medalist), Moss Moshishi (President of the SA Sports Confederation and Olympic Committee)

**T**he 2006 Murray & Roberts Jack Cheetham Memorial Award was presented to the Nelson Mandela Township (Nemato) Rowing Club at a gala event in Sandton on 12 September.

In partnership with the South African Sports Confederation and Olympic Committee (SASCOC) and Sowetan newspaper, Murray & Roberts selected the Nemato Rowing Club in recognition of the excellence and inspirational leadership in its development programme. Nemato Rowing Club is a member of Rowing South Africa (ROWSA), which is affiliated to SASCOC and is ROWSA's flagship

transformation project. It was recently upgraded to a fully constituted club due to the sustainability it has achieved.

Operating from Nelson Mandela township close to the Kowie River in the Eastern Cape, Nemato Rowing Club teaches young children from disadvantaged communities the highly technical skill of rowing and has established a development programme to produce the first black South African Olympic rower. The programme introduces young male and female rowers to competition in stages, from provincial to national and ultimately to World Championships and the Olympic

Games. Competing at the Eastern Cape junior championships earlier this year, two Nemato rowers, Mbulelo Nelson and Hlumisa Yekani, won gold medals in their individual sculls finals.

Under the inspirational leadership of Jan Blom, who has coached world champions in Holland, the club's "first the child, then the sport" approach ensures that participants experience a bigger world than the impoverished environment many of them are trapped in. Talented children are selected to participate in an holistic programme of life skills, school monitoring, early intervention and physical development. A skills development

programme undertaken with partners such as Swimming South Africa and Rhodes University, offers swimming lessons, internationally recognised rowing coaching courses, first aid courses, sports management learnerships and on-the-job learning, ensuring a sustainable foundation for the future of each participant, whether or not they succeed as rowers.

Nemato focuses on disadvantaged youth, but accepts some children from the more privileged school in the community to break down barriers and normalise relationships. It also plans to extend its reach into adaptive rowing for people with disabilities. The young South Africans who participate in this programme are offered an experience that will set their paths in life.

"Nemato Rowing Club is achieving excellence in the sport of rowing and is also using rowing as a vehicle to transform the lives of young South Africans. With additional resources, we believe that the programme will have an even greater impact," said Sean Flanagan, executive director of Murray & Roberts and convener of the panel of judges.

The award, which includes a floating trophy and prize money of R150 000 for the winner, was presented by South African rowing Olympic medalist, Donovan Cech.

In a surprise development at the awards event, Murray & Roberts CE Brian Bruce announced that Murray & Roberts had decided to increase the winner's prize

**Initiated by Murray & Roberts 26 years ago, the Jack Cheetham Award recognises the special qualities of Jack Cheetham, a former director of the company and the inspirational captain of the South African cricket team in the 1950s, who was able to instill in young people the belief that they could win. In recent years, the award has targeted sports development projects, focusing on individuals or teams that have the potential to be champions.**



■ The Nemato Boys under 19 eight squad on their way to the water at the Mayor's Plate Competition

money from R150 000 to R500 000, payable over five years in amounts of R150 000 in the first year, R100 000 annually over the next three years and R50 000 in the fifth year, with all payments subject to review, audit and regular progress reports. This will make the winning projects sustainable and strengthen their impact on sports development.

"We have been impressed by the development leverage achieved by previous winners and this extended award will also be offered to the 2005 Jack Cheetham winner, Giants Gymnastics," Brian said.

The Black African Club hockey development programme was selected as the runner up and awarded prize money of R50 000. An affiliate of the South African Hockey Association, this project has made an important contribution to the development and upliftment of black African hockey clubs in some of the most impoverished areas of South Africa.

Under the dedicated management of Gary Dolley and a national team of volunteers, the project empowers identified clubs to improve their administrative capacity and compete in local leagues. Partnership is an important element of the project's success and it is aligned with government's mass participation programme as well as municipal districts. Many of its participating clubs have formed partnerships with primary schools where they are encouraged to address the social development of participating children. ○



■ The Nemato Boys eight squad at the start of a race in the Schools Boat Race

## A WINNING STREAK

Since it won the 2006 Jack Cheetham Award in September, the fledgling Nemato Rowing Club has impressed the South African rowing community with excellent performances in recent junior rowing competitions.

### Schools Boat Race

At South Africa's most prestigious junior rowing event in Port Alfred, Nemato competed against A level Boys Eight squads and came second, beating four other boats.

### ZRC Competition

Competing on the Swartkops River in Port Elizabeth, Nemato won three races (Boys under 15 double A level, Boys under 15 single scull C level and Boys under 19 single scull fourth level). The club finished fourth out of seven competing clubs – an excellent achievement for young rowers with less than one year's experience.

### Mayors Plate

Competing on the Buffalo River in East London, Nemato won five races (Boys under 15 double A level, Boys under 15 single scull D level, Boys under 15 single scull C level, Boys under 16 four C level and Boys under 19 single scull fifth and sixth level). Nemato girls competed for the first time, with Sibongiseni Buwa coming second in the under 15 single scull B level.





# Oh so enchanting

**D**awson's Game and Trout Lodge, located in the picturesque Machadodorp area of Mpumalanga, at the foot of the Nelshoogte pass, offers exclusive, luxury accommodation in eight superbly appointed rooms in the main lodge, four en-suite bedrooms on the lake facing the Homestead and a honeymoon cabin located on a trout lake.

Unique for its setting and cuisine, the hotel offers exquisite dining which captures the wonderful tastes and aromas of Africa. Meals are served either in the main lodge dining room or on the verandah, overlooking the lakes, wide open grassland teeming with herds of buck, Zebra, Wildebees and the gentle sloping escarpment.

The Lodge boasts two elegantly appointed conference rooms, which can

accommodate up to 30 people in each room and are ideal for small to medium conference groups as well as corporate executive getaways from Gauteng.

Dawson's Game and Trout Lodge is located on a 2 000Ha private estate which offers superb fly fishing, archery, game drives and mountain walks in some of the region's most scenic grasslands and bushveld, teeming with herds of plains game.

Prize • Value  
**R9 000**  
Total •



One lucky couple can win a luxury three-night getaway, including dinner, bed and breakfast at Dawson's Game and Trout Lodge in Mpumalanga



**Rules of the competition:**  
1. The prize will be awarded to the first correct entry drawn.  
2. The judges' decision is final and no correspondence will be entered into.  
3. The prize is for two people sharing, on a dinner, bed and breakfast basis.  
4. The prize is valid for a six-month period from date of issue and is subject to availability.  
5. Transport to the destination is not included.  
6. All extras including lunches, beverages, telephone calls, laundry, mini-bar, gratuity and items of a personal nature are to be settled directly.



Answer the easy question, complete the entry form and send to Murray & Roberts Competition, PO Box 1148, JHB 2000 – to reach us before 11 May 2007. You can also fax to (011) 646-6040 or e-mail competitions@profpart.com (remember to put Murray & Roberts competition in the subject line).

**ENTRY FORM: MARCH 2007 COMPETITIONS**

Name: \_\_\_\_\_  
Phone number: \_\_\_\_\_  
Question In which area of the Mpumalanga province is Dawson's Game and Trout Lodge situated? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* Strictly one entry per person





Kirsten Brown, manager  
ClientService

*"ClientService will substantially increase the standard of communication and partnering opportunities between companies within the Group and with our market."*

## The Bridge.

The Bridge is the symbol we have selected to define the Murray & Roberts client service strategy. We offer the capacity to bridge knowledge gaps that exist between the company and its people and with the people of our potential clients, new clients and society. During 2006, we attended to a record 19 032 calls and enhanced our systems to ensure even better service in future.

Give us a call on 456 1144 & find out more.  
Email: [clientservice@murrob.com](mailto:clientservice@murrob.com)