



# REPORT TO STAKEHOLDERS

FOR THE YEAR ENDED 30 JUNE 2011

RECOVERY & GROWTH

**Murray  
& Roberts**

# MEDUPI POWER STATION



Salient points  
FY2011

Summarised  
financial results

Hot  
topics

Group  
financials

Purpose, values  
and vision

Outlook

Priorities



## RECOVERY & GROWTH

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## SALIENT POINTS FY2011

Effective and smooth leadership transition	✓
Material loss reported	x
Improvement in liquidity	✓
Progress on resolution of major claims	✓
Strong order book	✓
Safety	x
No dividend	x

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RECOVERY & GROWTH

## SUMMARISED FINANCIAL RESULTS

Earnings (Rm)	FY2011		FY2010		Comment
	Rm	EPS	Rm	EPS	
Attributable earnings	(1 735)	(585)	1 098	371	
EBIT from continuing operations	(678)	-	1 535	-	excl. Steel, Clough Marine Construction & Properties, Johnson Arabia, BRC Arabia and SA Properties
EBIT from continuing operations excluding unusual trading items	1 297	-	2 243	-	excl. Gautrain, GPMOF, Legacy contracts Middle East, Competition Commission, goodwill impairment

Cash position* (Rm)	Jun 2011	Dec 2010	Jun 2010
Net cash / (debt)	759	(1 011)	437

\* From continuing operations



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RECOVERY & GROWTH



Safety

Liquidity

Major  
projects

Uncertified  
revenues

Competition  
Commission



- Together Towards Zero Harm
- 12 fatalities (2010: 9)
- LTIFR 1.6 (2010: 2.2)
- DuPont intervention
- Outstanding safety performances:
  - 10m LTI free man hours – Zayed University
  - 6m LTI free man hours – ABSA Towers
  - 4m LTI free man hours – Medupi Civils

Safety	Liquidity	Major projects	Uncertified revenues	Competition Commission
Timeframe	Claims	Disposals	Impact on earnings	
Apr 2011- Jun 2011	Mechanicals Power Programme Medupi Civils advance payment PRASA Houghton	N3 Toll Concession	↑	
Jul 2011 - Jun 2012	Medupi Civils acceleration claims	Johnson Arabia BRC Arabia Properties Steel Group	↑	
After Jun 2012	Gautrain GPMOF Dubai International Airport		➡	

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Gautrain

Medupi / Kusile  
Mechanicals

Medupi  
Civils

GPMOF

Dubai  
International  
Airport



- Opened Hatfield to Rosebank Stations (2 Aug 2011)
- Estimated completion Jan 2012
- Statement of Case (29 Jul 2011)
- Additional losses accounted for FY2011
  - Water ingress Rosebank to Park Stations
  - Delay penalties
  - Cost to complete
  - Impairment of uncertified revenue

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- Amicable resolution of claim
- New commercial arrangement
- Profit potential
- Medupi 29% complete
- Kusile 9% complete



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GPMOF

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- Improved relationship with Eskom
- Advance payment reinstated
- Significant increase in scope
- Second access commercial arrangement
- Project 55% complete
- Medupi and Kusile chimneys

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GPMOF

Dubai  
International  
Airport



- Loss making contract
- Estimated completion January 2012
- Loss to completion accounted for FY2011
- Challenges
  - Late site access (6 months)
  - Logistics and quarantine
  - Scope growth
  - Weather conditions
- Arbitration

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GPMOF

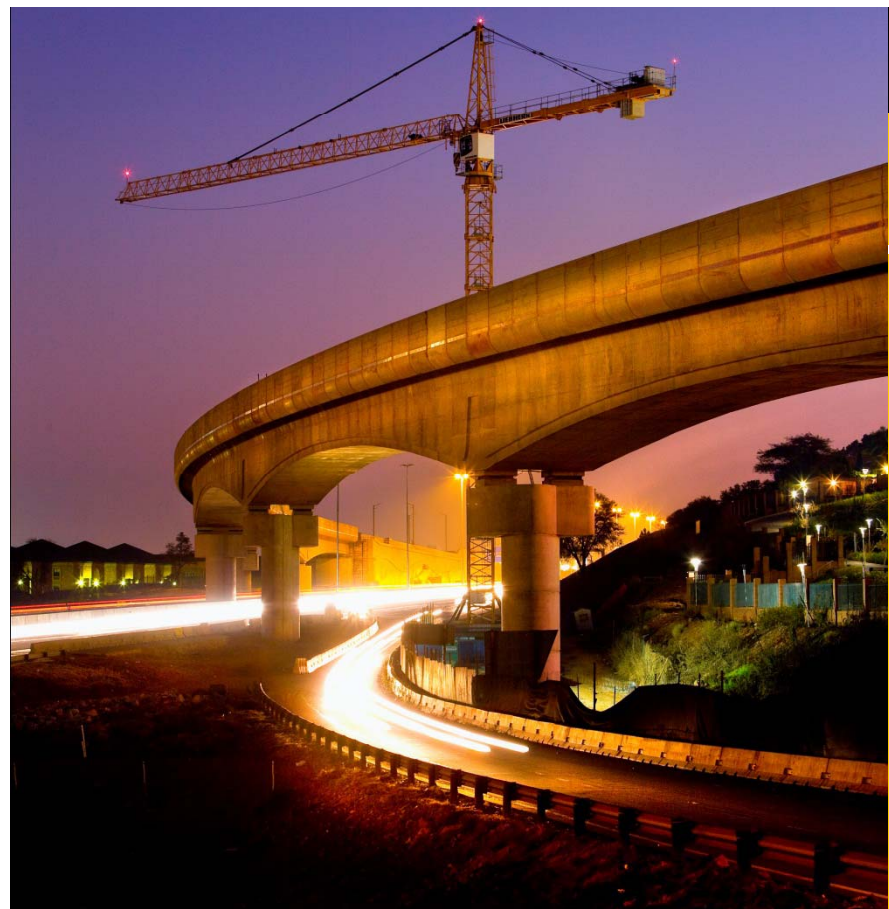
Dubai  
International  
Airport



- Project handover October 2008
- Re-measurable contract
- Final certificate still to be agreed
- Arbitration
- Estimated resolution FY2013



Safety	Liquidity	Major projects	Uncertified revenues	Competition Commission
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	Claims	Jun 2011	Jun 2010
	Total (Rm)	1 968*	1 966
	Gautrain	↓	
	Medupi Civils	↑	
	Dubai Airport	↑	
	GPMOF	↑	
* Net of R334m payment on account GPMOF			

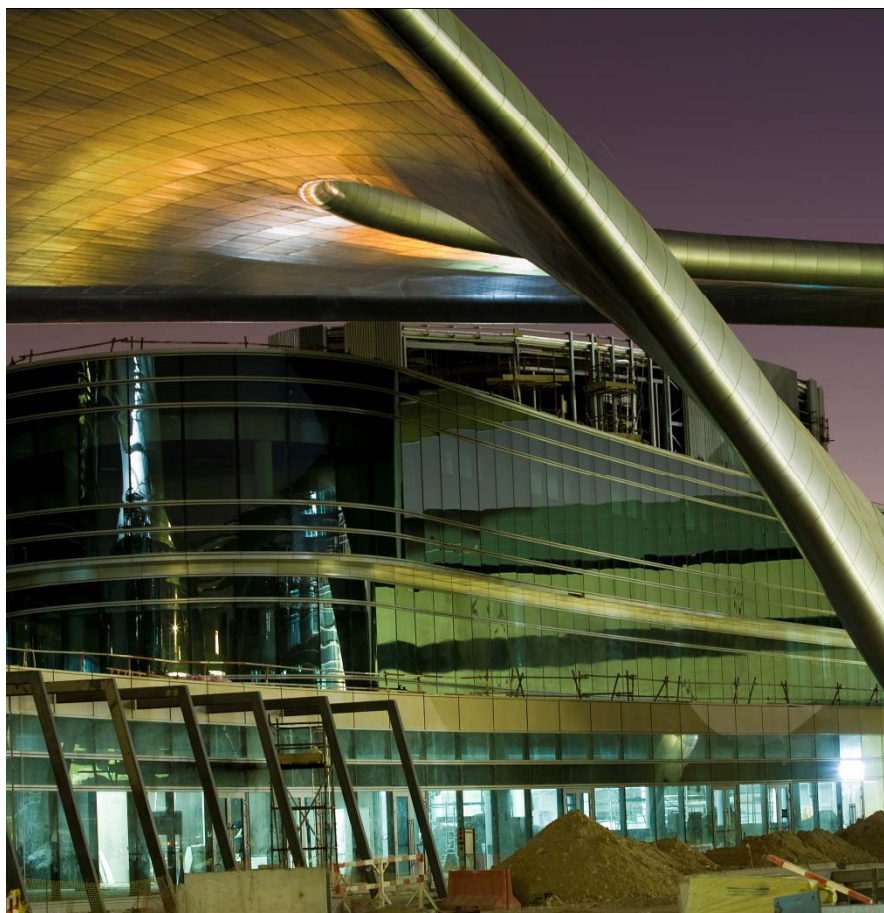
Safety

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Commission



- Fast track process (15 April 2011)
- Identified potential transgressions
- Possible penalty accounted for FY2011
- Cooperation with Competition Commission
- Statement of Business Principles
  - Consequence matrix

# OPERATING PLATFORMS

	Companies	Geography	Segments	Value chain
<b>Construction Africa and Middle East</b>	<ul style="list-style-type: none"> <li>• MUR Construction</li> <li>• MUR Marine</li> <li>• MUR Middle East</li> <li>• Concessions</li> <li>• Tolcon</li> </ul>	<ul style="list-style-type: none"> <li>• Africa</li> <li>• Middle East</li> </ul>	<ul style="list-style-type: none"> <li>• Metals &amp; Minerals</li> <li>• Industrial</li> <li>• Infrastructure</li> <li>• Building</li> </ul>	<ul style="list-style-type: none"> <li>• Project Dev. &amp; Design</li> <li>• Planning and Eng.</li> <li>• Construction works</li> <li>• Operations</li> <li>• Maintenance</li> </ul>
<b>Construction Global Underground Mining</b>	<ul style="list-style-type: none"> <li>• MUR Cementation</li> <li>• Cementation Canada</li> <li>• RUC Cementation</li> <li>• Cementation Sud Am.</li> </ul>	<ul style="list-style-type: none"> <li>• Africa</li> <li>• Australia</li> <li>• Americas</li> </ul>	<ul style="list-style-type: none"> <li>• Metals &amp; Minerals</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and Eng.</li> <li>• Construction works</li> <li>• Operations</li> </ul>
<b>Construction Australasia Oil &amp; Gas and Minerals</b>	<ul style="list-style-type: none"> <li>• Clough</li> <li>• Forge</li> </ul>	<ul style="list-style-type: none"> <li>• Australasia</li> <li>• South East Asia</li> <li>• Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial (Oil &amp; Gas)</li> <li>• Metals &amp; Minerals</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and Eng.</li> <li>• Construction works</li> <li>• Maintenance</li> </ul>
<b>Engineering Africa</b>	<ul style="list-style-type: none"> <li>• MUR Projects</li> <li>• Wade Walker</li> <li>• Concor Engineering</li> <li>• Genrec</li> </ul>	<ul style="list-style-type: none"> <li>• Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Metals &amp; Minerals</li> <li>• Industrial</li> </ul>	<ul style="list-style-type: none"> <li>• Project Dev. &amp; Design</li> <li>• Planning and Eng.</li> <li>• Construction works</li> <li>• Maintenance</li> </ul>
<b>Construction Products Africa</b>	<ul style="list-style-type: none"> <li>• Hall Longmore</li> <li>• Building Products</li> <li>• Much Asphalt</li> <li>• Roela</li> <li>• UCW</li> </ul>	<ul style="list-style-type: none"> <li>• Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Metals &amp; Minerals</li> <li>• Industrial</li> <li>• Infrastructure</li> <li>• Building</li> </ul>	<ul style="list-style-type: none"> <li>• Construction Products</li> </ul>

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# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	Jun 2011	Jun 2010
Revenue	30 535	27 851
EBITDA	(93)	2 123
Operating (loss) / profit (EBIT)	(678)	1 535
Net interest expense	(194)	(122)
Taxation	(196)	(414)
Income from equity accounted investments	86	15
Discontinued operations	(666)	215
Non-controlling interests	(87)	(131)
<b>Attributable earnings</b>	<b>(1 735)</b>	<b>1 098</b>

# GROUP FINANCIALS

## NORMALISED EBIT

Rm	Jun 2011	Jun 2010
<b>EBIT from continuing operations</b>	<b>(678)</b>	<b>1 535</b>
Gautrain / Competition Commission penalties	1 150	619
Marine	582	-
Middle East contract receivable impairment	164	89
Asset impairment	79	-
<b>EBIT normalised</b>	<b>1 297</b>	<b>2 243</b>

Significant charges Jan 2011 – Jun 2011	Continuing	Discontinued
Gautrain / Competition Commission penalties	640	-
Marine	582	-
Middle East trading decline	70	-
Asset impairment	79	113
Other	-	147
<b>Total</b>	<b>1 371</b>	<b>260</b>

# GROUP FINANCIALS

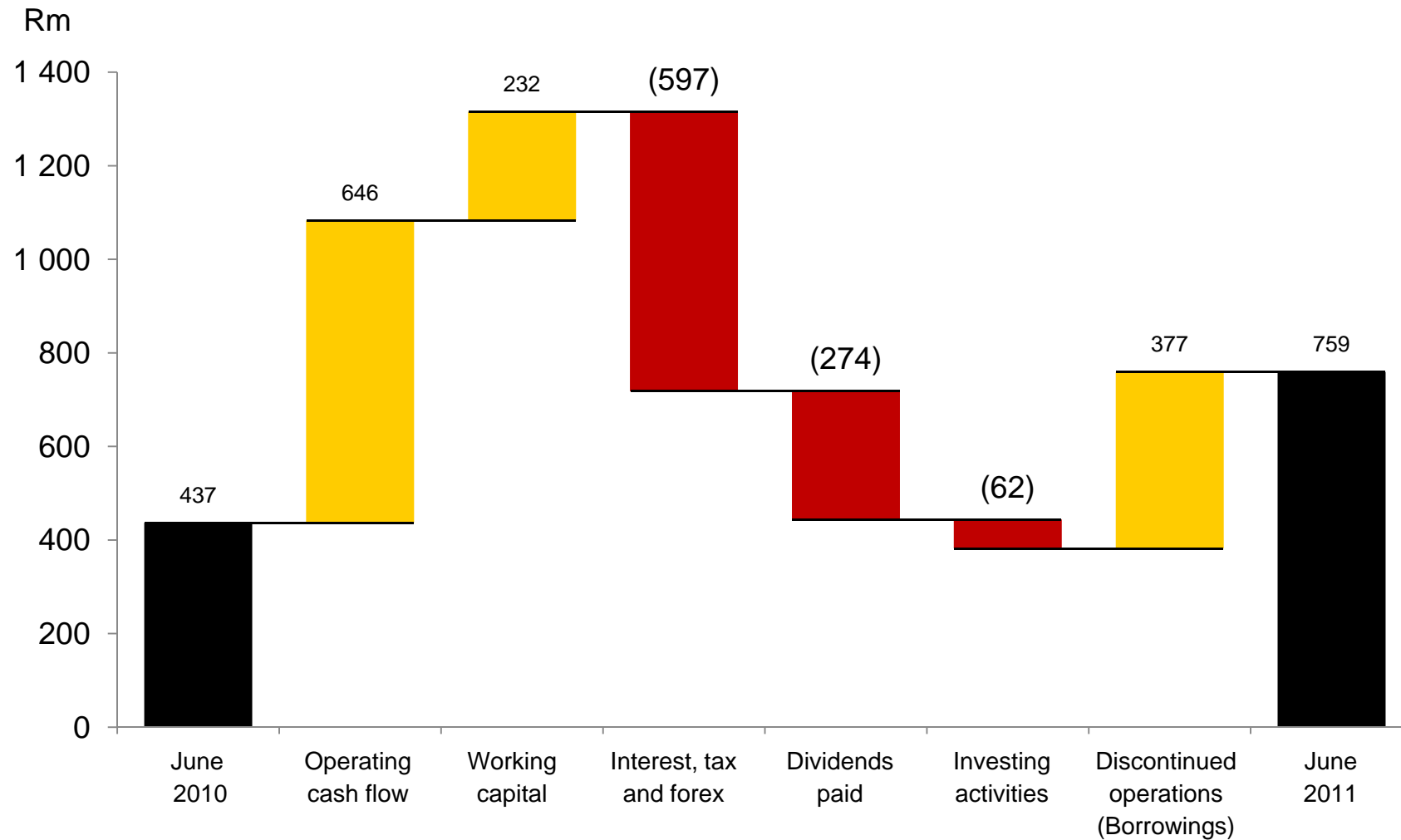
## STATEMENT OF FINANCIAL POSITION

Rm	Jun 2011	Jun 2010
<b>Total assets</b>	<b>19 560</b>	<b>21 125</b>
Cash and cash equivalents	3 101	3 811
Current	8 036	9 701
Non-current	5 563	6 165
Assets classified as held for sale	2 860	1 448
<b>Total equity and liabilities</b>	<b>19 560</b>	<b>21 125</b>
Shareholders' equity	5 321	7 177
Interest bearing liabilities - short term	1 119	1 845
- long term	1 223	1 529
Non-interest bearing liabilities	10 715	10 324
Held for sale liabilities	1 182	250



# GROUP FINANCIALS

## CASH FLOW (GROUP)



# SEGMENTAL REPORTING

**Construction Africa  
and Middle East**

 Construction Global  
Underground Mining

 Construction  
Australasia Oil & Gas  
and Minerals

Engineering Africa

 Construction  
Products Africa

Rm	Construction Africa <sup>1</sup>		Marine		Middle East		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	5 597	7 960	1 031	351	2 480	2 882	9 108	11 193
Operating (loss) / profit	(653)	133	(582)	77	(164)	300	(1 399)	510
On-going construction activities	237	553	(582)	77	-	389	(345)	1 019
PPP Investments and Services <sup>2</sup>	260	199	-	-	-	-	260	199
Gautrain / competition penalties	(1 150)	(619)	-	-	-	-	(1 150)	(619)
Contract receivables impairment	-	-	-	-	(164)	(89)	(164)	(89)

1. Includes Civils, Buildings, Roads, Opencast, PPP; 2. Concessions and Tolcon

## SEGMENTAL REPORTING

Construction Africa  
and Middle East

**Construction Global  
Underground Mining**

Construction  
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Engineering Africa

Construction  
Products Africa

Rm	Africa		Australasia		The Americas		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	4 789	3 569	714	404	2 286	1 372	<b>7 789</b>	<b>5 345</b>
Operating profit	307	270	99	39	196	138	<b>602</b>	<b>447</b>

## SEGMENTAL REPORTING

Construction Africa  
and Middle East

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Underground Mining

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and Minerals**

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Construction  
Products Africa

Rm	Clough		Forge <sup>1</sup>	
	2011	2010	2011	2010
Revenue	5 387	3 843	2 926	1 642
Operating profit	269	204	396	277

1. Reflected at 100%. Forge is equity accounted as a 33% associate within the consolidated results

The 2010 results are for a full year, for comparative purposes even though the entity was only acquired in April 2010

## SEGMENTAL REPORTING

Construction Africa  
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Construction Global  
Underground Mining

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Australasia Oil & Gas  
and Minerals

**Engineering Africa**

Construction  
Products Africa

Rm	Power Program <sup>1</sup>		Engineering <sup>2</sup>		Total	
	2011	2010	2011	2010	2011	2010
Revenue	3 337	1 099	757	619	<b>4 094</b>	<b>1 718</b>
Operating (loss) / profit	(34)	38	(17)	30	<b>(51)</b>	<b>68</b>

1. Murray & Roberts Projects power program contracts and Genrec

2. Includes Wade Walker, Concor Engineering, Murray & Roberts Projects non-power program projects

## SEGMENTAL REPORTING

Construction Africa  
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Construction Global  
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Australasia Oil & Gas  
and Minerals

Engineering Africa

**Construction  
Products Africa**

Rm	Construction products <sup>1</sup>		Industrial products <sup>2</sup>		Total	
	2011	2010	2011	2010	2011	2010
Revenue	3 147	4 988	1 010	764	<b>4 157</b>	<b>5 752</b>
Operating profit	75	612	117	6	<b>192</b>	<b>618</b>
On-going activities	154	612	117	6	<b>271</b>	<b>618</b>
Asset impairment	(79)	-	-	-	<b>(79)</b>	-

1. Hall Longmore, Much Asphalt, Ocon, Rocla and Technicrete

2. UCW

## Discontinued operations

Rm	Crane Hire Services <sup>1</sup>		Steel Reinforcing Products		Clough Marine Services & Prop.		Properties SA	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	260	360	1 676	2 250	628	1 909	82	137
Operating (loss) / profit	(58)	1	(619)	3	(73)	190	40	152
Trading	(58)	1	(325)	3	(41)	249	40	152
Asset impairment	-	-	(294)	-	(32)	(59)	-	-



## SEGMENTAL REVENUE CONTRIBUTION

Construction Africa  
and Middle East

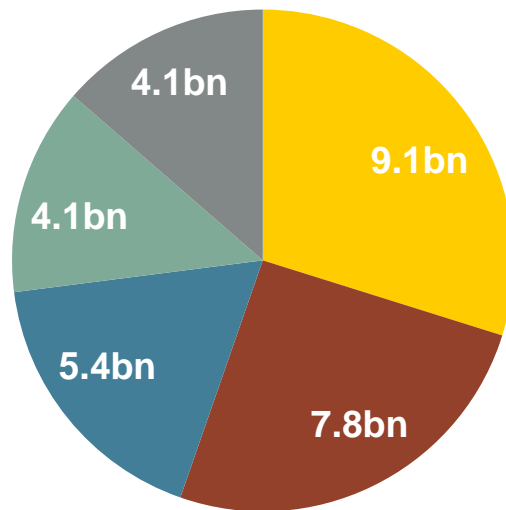
Construction Global  
Underground Mining

Construction  
Australasia Oil & Gas  
and Minerals

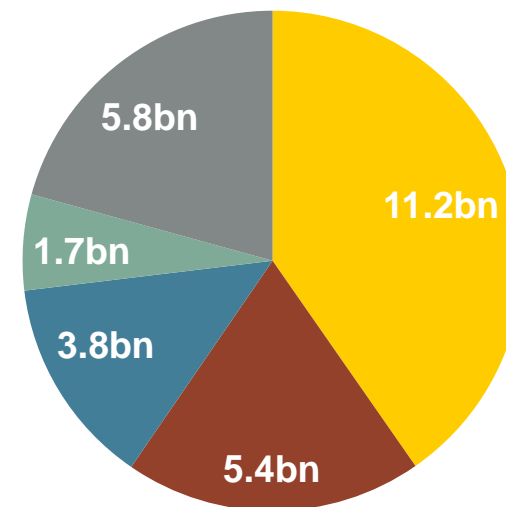
Engineering Africa

Construction  
Products Africa

June 2011



June 2010



- Construction Africa and Middle East
- Construction Global Underground Mining
- Construction Australasia Oil & Gas and Mineral - Clough
- Engineering Africa
- Construction Products Africa

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RECOVERY & GROWTH

# PURPOSE VALUES AND VISION

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

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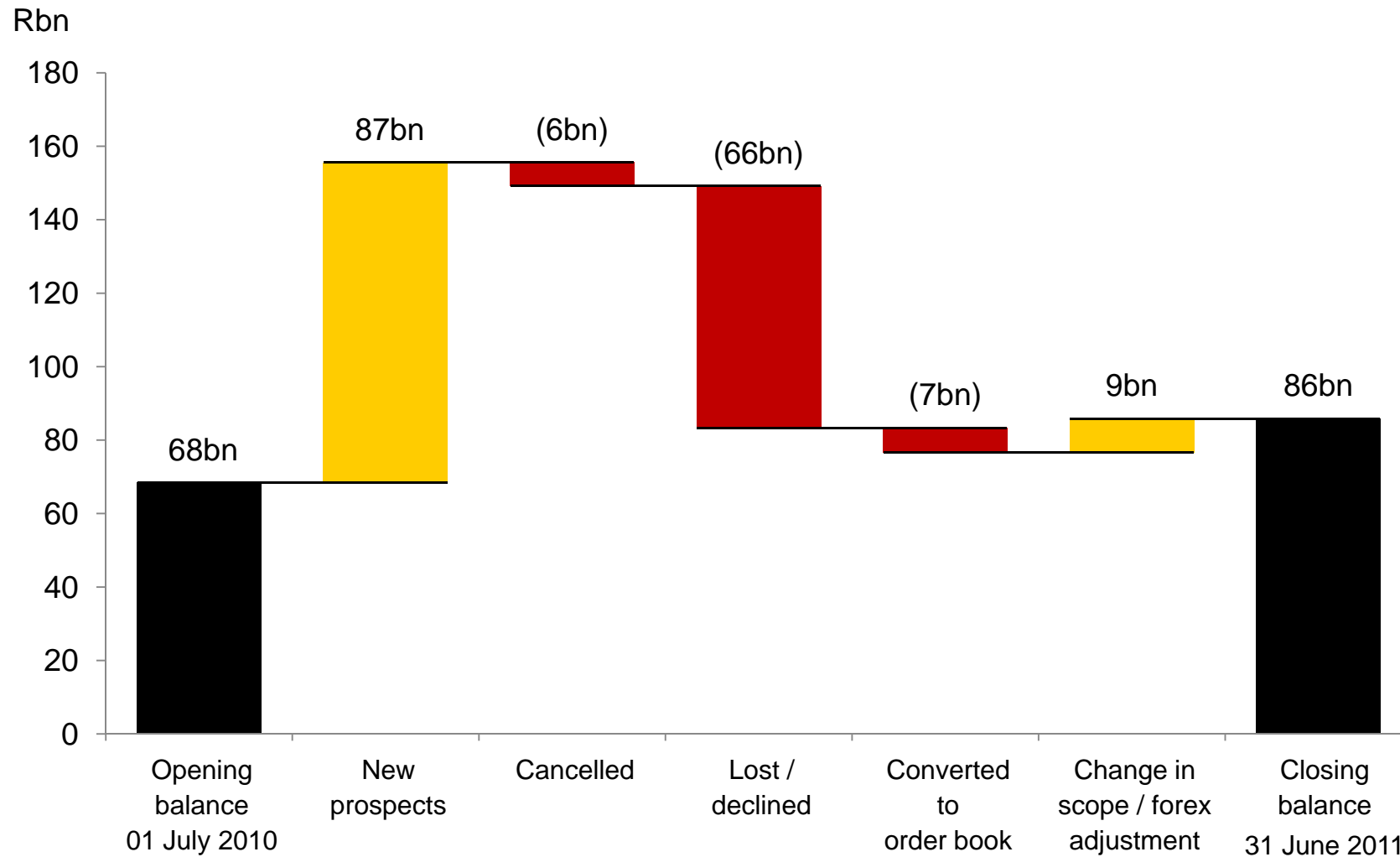
	Projected revenue % split		Order book Rbn	
	SADC	Int.	Jun 2011	Jun 2010
Construction Africa and Middle East	65	35	10.0	12.1
Construction Global Underground Mining	60	40	16.7	7.0
Construction Australasia Oil & Gas and Minerals	0	100	11.4	6.7
Engineering Africa	100	0	14.2	16.1
Construction Products Africa	100	0	3.1	2.2
	60	40	55.4	44.1

	Projected revenue % split		Order book Rbn		Order book Rbn Time Distribution	
	SADC	Int.	Jun 2011	Jun 2010		
Construction Africa and Middle East	65	35	10.0	12.1	2012	6.0
					2013	2.1
					>2013	1.9
Construction Global Underground Mining	60	40	16.7	7.0	2012	7.5
					2013	5.4
					>2013	3.8
Construction Australasia Oil & Gas and Minerals	0	100	11.4	6.7	2012	5.9
					2013	3.1
					>2013	2.4
Engineering Africa	100	0	14.2	16.1	2012	4.2
					2013	5.0
					>2013	5.0
Construction Products Africa	100	0	3.1	2.2	2012	1.3
					2013	0.8
					>2013	1.0
	60	40	55.4	44.1		

	Projected revenue % split		Order book Rbn		Relative % EBIT Contribution	Market prospects	% EBIT margin range
	SADC	Int.	Jun 2011	Jun 2010			
Construction Africa and Middle East	65	35	10.0	12.1	±20	→	<5.0
Construction Global Underground Mining	60	40	16.7	7.0	±35	↑	5.0 - 7.5
Construction Australasia Oil & Gas and Minerals	0	100	11.4	6.7	±15	↑	5.0 - 7.5
Engineering Africa	100	0	14.2	16.1	±10	↑	5.0 - 7.5
Construction Products Africa	100	0	3.1	2.2	±20	→	>7.5
	60	40	55.4	44.1	100		



# OPPORTUNITY PIPELINE<sup>1</sup>



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RECOVERY & GROWTH

# EXECUTIVE TEAM FOCUS

## Re-organise and re-energise

Strengthen operational leadership  
and operational focus

Reduce overhead costs

Changes to business areas

## Improve liquidity and resume dividend payment

Cash from operations

Claims on major projects

Sale of discontinued operations

## Realign Murray & Roberts

Purpose

Vision

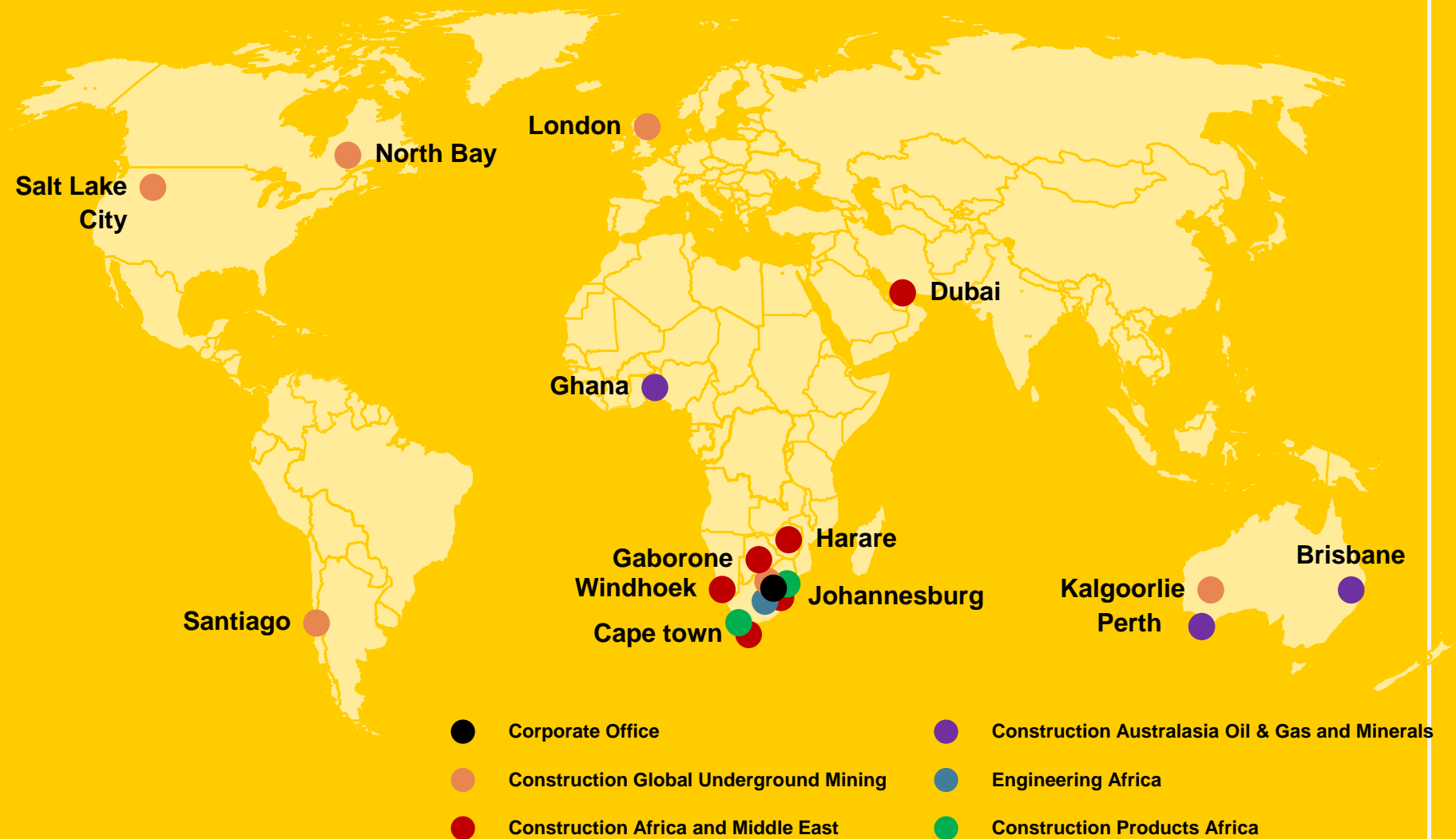
Values

## Develop growth strategy

Africa engagement strategy

Growth through acquisition

Optimise Clough investment



We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are discussed in each year’s integrated annual report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All profit forecasts published in this presentation are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.



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