

September 2008

MURRAY & ROBERTS GROUP MAGAZINE

ROBUST



MIDDLE EAST
PREMIER LEAGUE
CONSTRUCTION
PERFORMANCE

CANADA
**A DOMINANT
FORCE IN
NORTH AMERICA**

AUSTRALIA
BREAKING
RECORDS
DOWN UNDER

POWER

Rising to the challenge

MAJOR PROJECTS

New awards and updates

BEST OF both worlds

Global commodities, South African infrastructure



WORLD CLASS FULFILMENT IN EVERYTHING WE DO

BEST OF BOTH WORLDS

GLOBAL COMMODITIES, SOUTH AFRICAN INFRASTRUCTURE

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MESSAGE FROM THE CE

DEAR READERS

Somehow, the Olympics in Beijing this year have seemed out of reach. Is it because we are not doing so well as a nation? I am in Perth as I write this, attending the Clough board meetings and the mood here is very different. Newspapers and television are filled with Olympics reporting and all the human interest stories that go with winning and losing.

If we learn anything from the Beijing Olympics, it must be that the status quo is not relevant in a competitive world. How good we are against our competitors determines only the allocation of medals, but how much better we are than our past performance sets our standard for future competition.

For Murray & Roberts, every year is an Olympian challenge and this edition of Robust coincides with the release of our 2008 financial results, which are filled with new records and many medals. But there have also been poor performances and some failures, and those responsible have much work to do to get back into shape.

We now employ more than 45 000 people directly, who together with more than 45 000 subcontractor and other personnel worked a total of 216 million hours under our care during the year. We were successful in lowering our lost time injury frequency rate below our short term target of 3,0 in the year, but 24 of our people were fatally injured in the process. Eight of these were the consequence of the South Deep mining disaster.

Five (20%) of our twenty five operating companies did not deliver their budget promise in the year, for other than market reasons. One company ended the year in a loss. We have already initiated corrective actions and we expect better all-round performance in the year ahead.

Our record order book of R55 billion sets the challenge for sustainability in our constant pursuit of both gold and new performance records. This has set the regimen for preparation of our capability and capacity for profitable growth, where the whole is greater than the sum of the parts but where each part must deliver its mandate to the whole.

Our non-negotiable commitment to sustainable earnings growth and value creation is through the team performance of Unitary Murray & Roberts.

Brian Bruce

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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.

PP PROFIT PARTNERSHIP
 Business Communication Leaders

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BEST OF BOTH WORLDS



With 50% of its business generated in resource and infrastructure-based global markets, Murray & Roberts has become an attractive long-term investment for foreign shareholders seeking exposure to both the global commodity and South African infrastructure booms

South Africa has so much to offer its people and the world, yet allegations of crime and corruption, power shortages and anti-immigrant attacks have taken their toll on the country's image around the world. This has become increasingly evident at international investor meetings, where shareholder perceptions vary from absolute dismissal to grudging acceptance of the current status. "Only investors in the resources and construction sectors are really happy," says Murray & Roberts group CE Brian Bruce.

Foreign shareholders are vital to sustaining a strong share price and global stature. "South African investors tend to have a short-term view of the industry, with still-painful memories of the 25-year construction drought, whereas foreign investors take a more strategic view and are inclined to pay a premium for the long-term prospects of the industry," says Brian.

Murray & Roberts has positioned itself as an attractive global investment: at the moment, about 40% of its business is located outside South Africa, and of the 60% remaining within the country, another 10% (of the total) is fully exposed to the global commodities cycle. The split is therefore 50/50, and the ratio is likely to be maintained over the coming decade, as some of the Group's uniquely South African capability is poised to grow offshore as well.

"There are essentially two stories to Murray & Roberts: we're well exposed to the global commodities cycle; but we're equally exposed to the South African infrastructure cycle. Our organisation is now structured with sufficient flexibility to grow at least as strongly as each of these cycles," explains Brian.

The offshore business of Murray & Roberts is grouped into three

high-growth areas: oil, gas and energy in Southeast Asia and Middle East; mineral resources in North America and Australasia; and commercial fixed investment in Middle East. Much of the Group's business is therefore driven by resources, whether directly or indirectly, and the need to provide infrastructure.

"Whereas we are currently active in three geographic regions, that could change based on where our expertise and strategy leads us."

MIDDLE EAST

Free cash flow from record oil prices in recent years underlies the remarkable success story of the Middle East. This free cash flow has been drawn from the rest of the world to fund

"Our business in the region is growing fast, and over the next few years, the Middle East operation will become the single biggest part of the global Murray & Roberts business."

infrastructure development in countries such as the United Arab Emirates, Qatar and Bahrain. Though the oil price is currently falling, Murray & Roberts views this as part of the inevitable price volatility within a range, and not as a structural return to previous levels of a few years ago.

"High oil prices are here to stay, though maybe not as high as \$150/barrel. The good news is that the wealth generated is being used constructively to build infrastructure for a long-term future. This may be a new concept to the region, but there are many historic precedents for such a strategy." South Africa did the same in the 50s and 60s on the proceeds of gold revenue, developing an infrastructure that has stood the country in good stead for many years.

"Such fixed investment has a direct multiplier effect on commercial and business opportunities, and Murray & Roberts is positioned in both the infrastructure and high-end commercial space in the Middle East, as a preferred bidder well connected with both government and major industry players," Brian says.

"Our business in the region is growing fast, and over the next few years, the Middle East operation will become the single biggest part of the global Murray & Roberts business."

Currently, the Middle East contributes 12,5% of group business, a percentage budgeted to increase to 20% by 2011. There may also be spin-offs for the Group in other regions. The

Emirates is investing not just in its own infrastructure, but also in developing economies around the world, and Murray & Roberts is in line to win some of these projects given its preferred relationships in the region.

While the Middle East business is not strictly speaking a commodities or energy-driven one (as are the other two global businesses, as well as much of the South African operation), Brian points out that there is a synergy insofar as it is funded by oil and gas revenue.

LONDON

From a logistics perspective, Murray & Roberts has long maintained a strategy that any geography it operates in must be accessible by an overnight flight. This accommodated

locations such as the Middle East, Australia and Europe, but presented a challenge when opportunities arose in Canada, which dovetailed with the Murray & Roberts strategy of focusing on energy and commodities businesses.

When the Group acquired Cementation Canada in 2004, it recognised that an additional, satellite corporate office would be necessary for logistical reasons. Resourcing some of the international businesses might be better achieved from London than South Africa. Consequently, a corporate office was established in London in 2004, enabling South Africa to withdraw from direct management of businesses it could not easily access. This forced the Middle East operation to resource itself independently out of global resources, and offered the Group a global view of the world market.

CANADA

The Canadian operation underscored the fact that the Murray & Roberts strategy was increasingly focusing not so much on geographies as on areas of core expertise. South Africa had pioneered deep-level mining, and it was becoming clear that many mines elsewhere in the world were going underground – especially in Australia and Canada – creating demand for this South African expertise. Murray & Roberts now had operations in both countries, and could easily export this technology to both.

There are a number of similarities between the Australian, Canadian and South African markets: a common language and cultural heritage as part of the Commonwealth, each is at the extremity of a continental mass that dominates its world view (Asia, North

MIDDLE EAST

Murray & Roberts has developed a reputation as a world class contractor in the Middle East with the successful delivery of a number of iconic mega projects in the region. The Group established a presence there in 1995 and placed its signature on the Dubai skyline with the completion of the Burj al Arab in 1999.

Strong oil revenues in the region have fuelled unprecedented levels of growth in fixed capital investment as the countries in the region have invested in the expansion of their domestic economies.

As unabated growth in the development of commercial infrastructure has placed increasing pressure on construction capacity in the region, Murray & Roberts as a best-in-class contractor has been able to secure negotiated partnerships with clients, which has positioned it for major hospitality and airport projects.

In line with the Group's strategy to pursue major projects in the Middle East, construction activities in the region have recently been dominated by the R10 billion Dubai International Airport Terminal 3 and Concourse 2 contract where Murray & Roberts is leader of a joint venture with local partner Habtoor Engineering and Takenaka of Japan. The joint venture completed Phase 1 of the project successfully in 2007, in spite of accelerated schedule obligations, and the quality of this major international project is likely to attract world-wide recognition when it opens to the public.

In recent years, Murray & Roberts has successfully delivered a range of other major projects throughout the United Arab Emirates, including the BurJuman mixed-use development in Dubai, the Goldcrest Tower residential development in Jumeirah Lakes, Dubai, and the Durrat Bridges and World Trade Centre in Bahrain. The Al Raha Beach project in Abu Dhabi, which is currently being completed by Murray & Roberts



■ Burj al Arab Hotel, Dubai

Marine, has facilitated the formation of a new waterfront, with prime development land stretching over more than 14 kilometres of the new coastline.

This year, Murray & Roberts and its partners were awarded the R13 billion Tameer Towers project in Abu Dhabi, the largest project the Group has undertaken in the Middle East. Other projects won during the year include the prestigious R6 billion Trump International Hotel & Tower on the Palm Jumeirah in joint venture with Al Habtoor and the R2,5 billion Sorbonne University in Abu Dhabi.

A strong track record in the construction market has provided a platform for entry into other sectors in the region and Murray & Roberts has experienced rapid growth in the steel and construction services sectors. Murray & Roberts Steel, in partnership with its local partner, the Kanoo Group, is building a new facility which will quadruple the volume of rebar and mesh Murray & Roberts supplies to the local market to almost 300 000 tons per annum, positioning the Group as one of the larger suppliers to the burgeoning Middle East steel market. Johnson Arabia has tracked the growth profile of the region since it was launched with just six hydraulic cranes in 2000. In partnership with Kanoo, the company now has a strong presence in Dubai and Abu Dhabi and plans to expand into Qatar are well advanced.

America and Africa respectively) and each is rich in resources.

When Murray & Roberts acquired Cementation's South African and Canadian operations, it merged the South African business with RUC, giving the Group global leadership

“We see the world in an energy-deficit for the coming years, and the Clough business gives us access to this significant energy market in one of the fastest growing geographies in the world – Asia.”

in underground mining. However, to integrate the Canadian operation into the group business first required establishing the London office.

Underground mining in 2008 accounts for 15% of group business, a percentage that is likely to remain stable through to 2011. However, it employs almost one third of the Group's human resources, primarily in South Africa.

With this capacity, Murray & Roberts can now expand into other resource-rich geographies where it has not previously been located, such as South America. Brian says the Group is currently investigating underground mining opportunities in Chile, where open-cast copper mining is beginning to go underground.

“These are global businesses, typified by the fact that we often have the same global customers in each country we operate in,” he says.

AUSTRALASIA

The acquisition of Clough opened

up its conversion rights to increase its stake in Clough from 56% to 60%.

“It's an energy-related business, primarily in the LNG (liquid natural gas) market, a sector where we anticipate particular growth on the back of the energy cycle. We see the world



up significant opportunities for Murray & Roberts in the global oil and gas industry, targeting the fast-growing Asian market.

Infrastructure development in Australia has reached almost unbridled proportions, says Brian, making South Africa's look positively pedestrian. “South Africa is more constrained by political and economic issues, compared to Australia.”

While Clough was a strategic acquisition aligned with the Group's globalisation plans, it proved initially to be a troubled one. The problems are now largely resolved, and “the reality is that it is facing a much more certain and promising future, having this year delivered its first real financial year of profitability”. Murray & Roberts will soon be taking

in an energy-deficit for the coming years, and the Clough business gives us access to this significant energy market in one of the fastest growing geographies in the world – Asia.

“We're injecting capital investment into the business, confident that Clough will deliver value well into the future.”

By 2011, Clough will account for 15% of the business, roughly the same as in 2008, subject to any further acquisitions.

A WELL-BALANCED PORTFOLIO

“We now have a well-balanced portfolio in three distinct geographies, but highly focused on the resources sector. The demand for resources will grow in tandem with two major and unstoppable 21st century trends: greater democratisation and increased globalisation.

“These twin trends will liberate a demand for quality of life, and therefore greater infrastructure. As people enjoy ever-greater freedom and wealth, they will inevitably want more services in sanitation, education, potable water and electricity.



“Our growth trend is also tied in to the current food shortage. Transport infrastructure is vital to the movement and manufacture of food. You cannot develop agriculture where there is no transport, so construction has a long growth phase ahead of it,” explains Brian.

He describes this as an altogether new wave of fixed investment, different from previous waves, based on free cash flow, and consumer demand.

The success of this corporate strategy is reflected in the high regard with which Murray & Roberts is viewed internationally, compared to the less positive current view of South Africa itself.

“Our partners see us as a global player that is resident in South Africa,” Brian concludes. EAMONN RYAN ○

CANADA

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

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, Cementation Canada, like the other Murray & Roberts mining construction and development operations in South Africa and Australia, has benefited from the growth in the global underground mining markets.

Last year, Cementation Canada achieved further growth in its market share in Canada, and established a physical presence in Salt Lake City, Utah, having operated in the USA for the past few years. The company secured three major projects to quickly become a significant contractor in the US market.

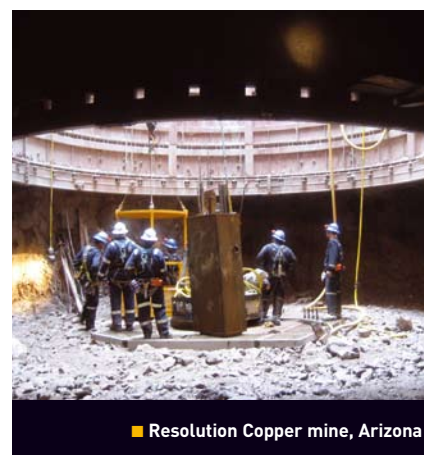
Design-build shaft sinking projects continue to be an important part of the company’s service offering with major shaft projects underway in Sudbury for Vale INCO, and Xstrata Nickel on the East Coast of Canada for PCS. Cementation Canada was also successful in securing the Lucky Friday internal shaft project in Northern Idaho. This adds a second shaft project to the US operations, with work ongoing at Resolution Copper in Arizona. During the year, the Nickel Rim South team completed the main shaft without a lost time injury.

Mine development represents the largest volume of the company’s

revenue and profit. Significant development projects include the Diavik diamond mine in the North West Territories, the new Afton project in Southern British Columbia, and the Nickel Rim South lateral program in Sudbury. Work continues on a number of other projects where Cementation crews continue to exhibit superior performance coupled with safe work practices. North Mine in Sudbury, the 777 project in Manitoba, and the Brunswick project on the East Coast, are all examples of this. Recently, the company was awarded the Eagle development project in Michigan, USA.

Engineering is a critical part of the service offering, and Cementation Canada specialises in shaft and mine infrastructure engineering. Cementation Engineering has grown considerably and has become a leader and an authority in mine shaft engineering in North America.

Raise boring projects were completed in Red Lake during the year and major projects for Vale INCO and FNX commenced in the Sudbury area. Cementation Canada operates the two largest raise bore machines in North America. The raise boring business has achieved new records for largest diameter and longest raises in hard rock in North America.



■ Resolution Copper mine, Arizona

Breaking records

Murray & Roberts company, RUC Mining Contractors, recently achieved a significant milestone in Australian mining

The Kalgoorlie based mining contractor completed work on the largest raise bored hole ever drilled in Australia and ranked seventh largest in the world by volume excavated.

The excavation of this raise (800 metres deep, 5,52 metres in diameter) has set an Australian raise boring record at the St Barbara Ltd Gwalia Mine at Leonora, Western Australia, improving on the previous record set by RUC Mining of 890 metres at a 4,5 metre diameter. The raise was completed in 11 968 man hours without incident.

St Barbara's project manager, Shane McLeay said: "The completion of this technically challenging ventilation raise is an important step in the future of Gwalia Mine which is due to start production in the September quarter of 2008. RUC has completed the raise ahead of schedule and without accident or incident. This result is a credit to all those involved in the project."

The current world record was set by Murray & Roberts in 1986: 1 096 metres at a 6,1 metre diameter in South Africa. Other mining records set by RUC's sister company, Murray & Roberts Cementation, include the largest diameter shaft raise bored (7,1 metres by 180 metres at Sasol's Bosjespruit mine in South Africa); the hardest rock raise bored (lava formation at Kloof gold mine in South Africa) and the longest inclined shaft raise bored (3,5 metres by 755 metres by 70° at BCL in Botswana). The company has also raise bored the largest and deepest shaft in South America (5,1 metres by 775 metres at the Cuiba mine in Brazil).

RUC Mining Contractors, one of the leading mining contractors in Australia, specialises in raise boring, box holing, shaft sinking and incline and horizontal mine development. Recent projects completed have been located in Western Australia, Queensland, New South Wales and New Zealand.

RUC operates the most powerful surface and underground raise bore rigs in Australia. The company recently manufactured the Strata 850 raise drill in its Kalgoorlie workshop. The Strata 850 is capable of constructing underground raise bored holes of up to six metres in diameter and is the most powerful raise borer in the world. ○



■ Sean Flanagan, executive director of Murray & Roberts, and George Parker, director of Murray & Roberts Cementation, with the new Strata 850 raise drill manufactured by RUC Mining Contractors

Middle East

Tameer Towers

Murray & Roberts, with its partners Al Habtoor and Al Rajihi, has been awarded the R13 billion Tameer Towers mixed-use development on the Al Reem Island in Abu Dhabi.

Tameer Towers will comprise a 7-star luxury business hotel, a 73-storey office tower, four residential towers and a central park. It is the largest project, by value, undertaken by Murray & Roberts in the growing Middle East market. It is also one of the largest building projects ever

awarded in Abu Dhabi and will be one of the capital's landmark developments when completed in 2011.

Another important feature of the project is that it is the first in the United Arab Emirates to be awarded as an alliance contract in which all parties, including the client, the professional team and the contractor act as one collective team in a fully transparent manner, sharing all project risks and opportunities.

Al Raha

Murray & Roberts Marine was awarded the Al Raha Beach project in Abu Dhabi in 2007. The project is well advanced and has facilitated the formation of a new waterfront, with prime development land stretching over more than 14 kilometres of new coastline.

A key factor in the success of this project is the strong client relationship Murray & Roberts and its joint venture partner Overseas AST, have developed with the client.

Al Raha has opened up a number of new opportunities for similar work in the United Arab Emirates which Murray & Roberts Marine is pursuing on a negotiated basis.

■ Tameer Towers, Abu Dhabi – an artist's impression



■ Al Raha Beach Resort, Abu Dhabi

South Africa

Gautrain

Murray & Roberts plays a lead role in the Gautrain Rapid Rail Link project, which has been underway for almost two years following commercial close in September 2006. Civil design and construction work is 45% complete and detailed designs for electrical and mechanical systems are ready for implementation. Construction of viaduct bridges commenced during the year and the state-of-art tunnel

boring machine commenced tunneling from Rosebank towards Park Station in January 2008. Work in this section is progressing to schedule, while construction of the section north of the Midrand Depot towards Pretoria has been delayed by late expropriation and release of land.

The airport link from Marlboro Portal to OR Tambo International Airport has also been delayed by unmapped utilities,



late release of land and late approval of access to Airports Company South Africa (ACSA) property.

The Bombela Consortium has entered formal negotiations with Gauteng Province to resolve the consequence of these issues and to agree measures for accelerating completion of Phase 1 in time for the 2010 Soccer World Cup.

Major projects such as Gautrain, Green Point Stadium and the Power

Stations demand higher levels of management focus than normal construction activities and require a premium allocation of skilled resources. Murray & Roberts has adopted a management model that ring-fences these projects under parallel Corporate leadership, which in the South African context is the responsibility of Murray & Roberts executive director Sean Flanagan.



■ Centre: Tunnelling equipment at Sandton South Shaft
Top right: Train maintenance workshop at Midrand depot
Above: Precast yard – viaduct segments and bridge beams

Green Point Stadium

The Green Point Stadium project for the 2010 Soccer World Cup has been underway for 18 months since award in March 2007. Construction work is proceeding well on this 68 000 seater

stadium and the project is on track to commence erection of the cable tensioned steel and glazed roof in September 2008.

The original 34 month construction

period was reduced to 31 months at the request of FIFA, which has subsequently been challenged by ongoing design changes and abnormally inclement weather conditions.



■ Green Point Stadium, Cape Town

Department of Foreign Affairs building



■ Work is underway on the R1,3 billion head office complex for the Department of Foreign Affairs in Pretoria. The R1,3 billion structure topped out in August and Concor is scheduled to complete the project in May 2009

Lusip Dam



■ Concor, in joint venture with Group 5 and Swaziland-based Inyatsi Construction, has successfully completed the upstream components of the LUSIP Dam Project in Swaziland

Thermal Power Stations

Murray & Roberts has secured the contracts for boiler erection and fabrication for the Medupi and Kusile (previously Project Bravo) coal-fired power stations in partnership with Hitachi Power. The Medupi contract was signed in November 2007 and work commenced immediately on resourcing a management team and securing major subcontractors.

The primary contract is a partnership between Murray & Roberts MEI and Murray & Roberts Engineering Solutions, with fabrication of the structural steelwork by Genrec. Steel ducting will be fabricated in a new facility to be established on site by a new company jointly owned by Murray & Roberts MEI and a 51% empowerment partner.

The Kusile contract was awarded in January 2008 and work has commenced on resourcing a management team and securing major subcontractors.

These contracts are collectively valued at R15 billion and will take up to six years to complete.

Murray & Roberts Construction secured the lead contractor role in joint venture with Concor and Grinaker LTA, for civil construction work on the Medupi power station. Under the leadership of project manager Coenie Vermaak about 170 management and senior staff resources have been mobilised and a total staff complement of 2 800 will be on site by the end of 2008. First structural concrete was placed in July 2008. The contract is valued at about R3 billion and although scheduled for completion in 2012, progress is currently impeded by numerous design changes and access problems.

Civil work for the Kusile Power Station is out for selected tender and Murray & Roberts is well positioned to secure further work on the proposed Open Cycle Gas Turbine (OCGT) and the revised Mmamabule Power Station in Botswana.

DAVID BARBER JOINS MURRAY & ROBERTS

Murray & Roberts appointed David Barber (55) as an independent non-executive director and member of its audit committee on 27 June 2008.

David is global chief financial officer of AngloCoal, a division of Anglo American plc Group and prior to this was chief financial officer for Anglo American Corporation of South Africa. He served as a non-executive director and member of the audit committee for several companies, including Anglo Platinum, Highveld Steel and BJM Holdings.



CORPORATE AND OPERATIONAL MANAGEMENT APPOINTMENTS

Andrew Skudder has been appointed as director of enterprise capability in the office of the group chief executive. In this role, Andrew will ensure that processes, systems and people are in place across Murray & Roberts to meet the capacity requirements for delivery of the business plan and South Africa's pending nuclear power program.

Ian Henstock joins the Group as commercial director with immediate effect. Ian has a long business association with Murray & Roberts from his previous executive positions at Deloitte, Bridge Capital and ABSA. He will play a lead role engaging the many corporate initiatives underway.

Werner Kruger was appointed managing director of Ocon Brick on 1 April. Werner joined Murray & Roberts in 2004 following a career in the cement industry and worked as operations director at Rocla. The Pienaar family, from whom Murray & Roberts acquired 80% of Ocon Brick has exercised

its option to sell its remaining 20% shareholding in the company.

Dirk Steinberg will transfer from his current position as financial director of UCW to Corporate and will be appointed to the operating boards of Genrec and Hall Longmore. He will also work with Andrew Langham to oversee the development of capacity to meet the Group's major project commitments to Medupi and Kusile thermal power stations and the National Multi Product Pipeline. Dirk will continue in his role on the executive committee of The UCW Partnership.

Kevin Kelly transfers from Murray & Roberts Engineering Solutions and his recent role as commissioning manager for the NPC Project, to UCW where he is appointed project director for the Transnet Locomotive Program.

These succession appointments bring new executive capacity to bear on our major projects and initiatives, and are testament to the depth of talent within and available to Murray & Roberts.

EXECUTIVE RESIGNATIONS AND APPOINTMENTS

Edwin Hewitt, executive director responsible for fabrication and manufacture, resigned on 30 June.

Lee Cochrane, MD of Rocla, and **Dave Athey**, MD of Murray & Roberts Engineering Solutions, resigned on 31 April.

Gordon Taylor transferred from Murray & Roberts Construction to take up the appointment as managing director of Murray & Roberts Engineering Solutions. He leaves Construction with a solid and long-term order book.

Malose Chaba will ensure the integration of capacity from Murray & Roberts Engineering Solutions and MEI to deliver the Group's significant responsibilities in the power program. Malose has also assumed executive leadership of the nuclear power engagement strategy.

Keith Smith has assumed the role of executive chairman of Murray & Roberts Construction with day-to-day responsibility for its final restructuring and future performance. Keith retains his chairmanship of Concor and will work to achieve better structuring of the Western Cape and SADC operations as separate business units with Piet Martins as operations director.

Andrew Langham has been appointed chairman of Genrec, Hall Longmore and Technicrete.

John Hoare has rejoined Murray & Roberts as chairman of UCW and was interim executive at Rocla pending the finalisation of a replacement MD.

DIRECTORS RETIRE

Sonwabo Eddie Funde resigned as non-executive director on 30 June 2008 due to his appointment as South African Ambassador to Germany. Mr Funde also resigned as a member of the nomination and health, safety and

environment committees.

Non-executive director, **Martin Shaw**, will reach the mandatory retirement age for directors and will retire at the October 2008 AGM after which David Barber will assume

chairmanship of the audit committee.

Non-executive director, **Boetie van Zyl**, will also retire at the same AGM shortly before he reaches the mandatory retirement age for directors.

Impilo Yethu – Our Lives

Murray & Roberts launches a new internal communication platform

The Stop.Think campaign was launched two years ago to raise employee awareness about safety in the workplace. This was achieved through a nationwide industrial theatre roll-out supported by various tools, including a safety bill of rights.

Now, a second phase of Stop.Think has been introduced to reinforce safety messages and forge a safety culture. The Group's commitment to Zero Harm has been expanded to include the health of employees and the natural environment and a new platform has been designed

to communicate directly to the 44 000 employees on group worksites. Titled Impilo Yethu, Zulu for 'Our Lives', it takes the form of an animated print medium which has initially centred on two characters, Devlin and Jabu, who are illustrated in the different Murray & Roberts operating environments (construction, mining and fixed facility sites). The campaign is designed to encourage employees to look after themselves and those around them, not only at work but also in their private lives. Many incidents occur on worksites as a direct result of macro and social issues affecting people.

Each edition will feature a competition to

encourage employees to read and improve their understanding of the messages communicated. The next challenge will be to get information from the workforce to ensure effective communication.

This exciting initiative went live with the July 2008 pay slips. ○



Client service A bridge between the Group and its stakeholders

An initiative of the group CE, Murray & Roberts Client Service has been developed by Gwendolene Lilleike. Since 2003, calls received by Client Service have increased from 1 000 to over 25 000 this year.

Client Service is led by Mabuse Hlalele, who joined Murray & Roberts in May, bringing with him extensive experience

in a range of client service functions. Mabuse's team is made up of Ernest Motau, Lisa Stead, Michelle Lagerwall, Odette Groom and Zodwa Tshabalala. Their function is to collate information and knowledge to enable a service to the Group and its external environment.

The team interacts directly with internal and external clients, by telephone and email, within a 24-hour turnaround time.

They also provide front-line training to the Group. Typical queries that are managed by Client Service include business development opportunities, requests for operating company information, recruitment, sales, research and requests for brand material.

Client service puts Murray & Roberts entities in contact with potential clients or other interested parties and handles queries that employees are not able to answer.

Hlalele believes that client service centres provide companies with a valuable advantage in today's competitive business environment. "It's no longer enough to provide the consumer with the best products. You have to support your product range with a best service approach by taking ownership of your clients' queries," he says. ○

■ Front, from left to right: Mabuse Hlalele and Michelle Lagerwall.

Back, from left to right: Gwendolene Lilleike, Odette Groom, Ernest Motau, Lisa Stead and Zodwa Tshabalala



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CSIR engineering geologist wins esteemed **JD Roberts Award**



■ Dr Phil Paige-Green and his wife Pam with Brian Bruce

Dr Phil Paige-Green, an acclaimed engineering geologist at the Council for Scientific and Industrial Research (CSIR), has won the 2008 JD Roberts Award

Dr Phil Paige-Green won the award in recognition of his outstanding research and innovation in the field of transport infrastructure. His work has resulted in the application of products, improved materials usage and specifications for sustainable road construction, all of which have a great social impact.

Paige-Green, a Fellow at CSIR Built Environment, is currently working on a project worth more than R5 million to develop a cost-effective way of using renewable sources, specifically waste materials, in road binding materials. Given oil shortages, environmental effects of fossil fuel usage and global climate change, various alternative binders needed to be investigated and developed by the

CSIR. Consequently, a prototype binder based primarily on materials currently considered waste products has been developed. This material is being evaluated and improved to develop the necessary properties for use as a road binder.

His work encompasses the investigation of roads and transport technology and he has led various projects in 14 countries in Africa, including Botswana, Ethiopia, Ghana, Malawi and Uganda. His research has helped some countries upgrade their road design manuals, while he has also assisted with training guidelines and conducted road improvement investigations and technical audits.

Breakthroughs by Paige-Green include research on tillites (a type of rock), which saw him becoming a world authority on the topic. His later research centred on materials for the construction of unsealed roads, culminating in the development

of innovative specifications, deterioration models and construction requirements. These have been implemented internationally. His work on unsealed roads evolved into the upgrading of such roads to low-cost sealed ones, again to international acclaim.

Paige-Green has won a number of awards for best papers at conferences and currently serves as the Vice-President (Africa) of the International Association of Engineering Geology. He has published more than 90 papers, and contributed two chapters to Engineering Geology of South Africa, Vol 3, the authoritative work on the engineering properties of South African natural materials. He has also authored and co-authored more than 300 contract, research and unpublished internal reports.

The two runners-up were Paul Nordengen and Louiza Duncker of the CSIR.

Through his research Paul has made a significant contribution to the road

transport industry over an extended period, specifically in the areas of network asset management (bridge management), heavy vehicle transport through his work on overload control, abnormal loads and performance based standards as well as capacity building. Louiza Duncker was recognised as a runner-up for the outstanding contribution she continues to make through her research and other work at the CSIR in the fields of water and sanitation provision, housing and community development, and the role of women in these areas. She has received wide acknowledgement for her work. ○

THE JD ROBERTS AWARD

The annual JD Roberts Award is sponsored by Murray & Roberts and held in partnership with the CSIR. Instituted by Murray & Roberts in the late 1970s in remembrance of one of the Group's founding fathers, Dr Douglas 'JD' Roberts, the award recognises and promotes competitive and environmentally sustainable solutions to human dilemmas and encourages scientific research into technology that will enhance the quality of life of all South Africans.

Douglas Roberts was a doyen of the construction industry in South Africa, well known for his entrepreneurial flair and passion for seeking and trying new techniques and ways of doing things. It is in this spirit that the JD Roberts Award takes place annually, recognising talent and research within the CSIR.



■ The three finalists of the 2008 JD Roberts Award; Dr Phil Paige-Green, Louiza Duncker and Paul Nordengen, all of the CSIR

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Nestled at the foothills of the Zwartkops Mountains in the Cradle of Humankind, Kloofzicht Lodge is the essence of tranquility and ultimate luxury, a comfortable 30-minute drive from both Sandton and Pretoria. The serenity of Kloofzicht is embodied by water as the lodge, comprising 42 suites, overlooks six exquisite fly-fishing dams and the lower reaches of the Blaauwbank Spruit, which meanders through the unspoilt Zwartkops gorge.

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For more information, please visit www.kloofzicht.co.za

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- Situated in the Cradle of Humankind
- Kloofzicht Lodge is the flagship property of the Guvon Hotels group



CHICAMA COUNTRY SPA

Situated at Glenburn Lodge (close to Kloofzicht), in tranquil, scenic surroundings, the 'Vineyard' theme and décor of the spa is complemented by the use of Theravine products and Zorgvliet wines. The spa offers:

- 10 treatment rooms
- Spa lounge where spa lunches can be enjoyed
- Rasul steam room and jacuzzi
- Heated indoor pool
- Private jacuzzi & treatment room for couples' therapy
- Individual treatments, half day, full day and overnight packages



Winner of the Imbali Safari Lodge competition: Joe Rader

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 valid for January 2009 only.
4. All extras are to be settled direct.
5. Transport to the destination is not included.
6. The prize is not transferable and cannot be exchanged for cash



Answer the easy question, complete the entry form and send to Murray & Roberts Competition, PO Box 1148, JHB 2000 – to reach us before 31 October 2008. 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: SEPTEMBER 2008 COMPETITION

Name: _____

Phone number: _____

Question: What does Impilo Yethu mean? _____

* Strictly one entry per person

$$E=mc^2$$



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