



# MURRAY & ROBERTS

## REPORT TO STAKEHOLDERS

FOR THE YEAR TO 30 JUNE 2001

2001

Rebuilding Murray & Roberts



# EARNINGS PER SHARE

YEAR TO 30 JUNE

(cents)

2001

2000

**HEADLINE**

**76**

**36**

**Exceptional**

**(2)**

**(201)**

**TOTAL**

**74**

**(165)**

**DIVIDEND**

**0**

**0**

**2001**

Rebuilding Murray & Roberts



# SHAREHOLDER'S FUNDS

YEAR TO 30 JUNE

(R million)

AT 1 JULY 2000

1 717

Share Repurchase

(43)

Attributable Earnings

252

Foreign Currency Translation

57

Other

(1)

AT 30 JUNE 2001

1 982



# THE YEAR IN REVIEW

## A LINE IN THE SAND

- Face up to our credibility problems
- Disposal strategy for non-core operations
- Fix the problem operations
- Integrate the corporate structure
- Attract young people into the business
- Build around core competence for growth
- Define brand identity of Murray & Roberts



# THE YEAR IN REVIEW

## PERFORMANCE PROMISE

- **Improve operating margins**
- **Deliver growth in headline earnings**



# THE YEAR IN REVIEW

## A UNITARY MURRAY & ROBERTS

- **Divisional structures eliminated**
- **Corporate office consolidated**
- **Remuneration aligned with business strategy**
- **Leadership team strengthened**
- **Knowledge businesses acquired**
- **Non-core businesses disposed**
- **New brand identity adopted**



# THE YEAR IN REVIEW

## SHARE REPURCHASE

- 14 074 921 Shares                      R 43 million                      4,1 %



# THE YEAR IN REVIEW

## SHAREHOLDER VALUE

• Net Asset Value	<b>597 cents</b>	<b>+ 20 %</b>
• Adjusted NAV	<b>730 cents</b>	<b>+ 20 %</b>
• Market Value	<b>630 cents</b>	<b>+ 91 %</b>
• Cash Flow	<b>164 cents</b>	<b>+ 613 %</b>
• Return on Equity	<b>13,5%</b>	<b>+ 122 %</b>



# CLUSTERS

## CONTRACTING

- BUILDING AND CIVIL ENGINEERING
- INDUSTRY AND MINING

## MANUFACTURING

- ENGINEERED PRODUCTS
- SUPPLIES AND SERVICES



# ORDER BOOK

	June 2001	June 2000
<b>CONTRACTING</b>	<b>3 800</b>	<b>3 550</b>
Turnover Relative	<b>88%</b>	<b>88%</b>



# INCOME STATEMENT

YEAR TO 30 JUNE

(R million)

2001

2000

**TURNOVER**

**8 535**

**8 733**

**EBITDA**

**454**

**329**

**Depreciation & Amortisation**

**(236)**

**(238)**

**EBIT**

**218**

**91**

**2001**

Rebuilding Murray & Roberts



# INCOME STATEMENT

YEAR TO 30 JUNE

(R million)

2001

2000

**OPERATING EBIT**

**218**

**91**

Exceptional items

(3)

(697)

Interest

(6)

(44)

Taxation

(27)

7

Outside shareholders

(1)

(1)

Income from associates

71

74

**ATTRIBUTABLE**

**252**

**(570)**

2001

Rebuilding Murray & Roberts



# EXCEPTIONAL ITEMS

YEAR TO 30 JUNE

(R million)

2001

Investment Realised

60

Property Headleases

(48)

Closures & Restructure

(13)

ASTAS Recovery

10

Impairment Write-downs

(12)

**TOTAL**

**(3)**

2001

Rebuilding Murray & Roberts



# BALANCE SHEET

AT 30 JUNE

(R million)

	2001	2000
<b>TOTAL ASSETS</b>	<b>5 675</b>	<b>5 657</b>
Cash	1 292	984
Fixed & current	4 383	4 673
<b>EQUITY &amp; LIABILITIES</b>	<b>5 675</b>	<b>5 657</b>
Permanent capital	1 990	1 725
Non-current liabilities	700	879
Current liabilities	2 985	3 053

2001

Rebuilding Murray & Roberts



# RATIOS

AT 30 JUNE

(percentage)

2001

2000

**DEBT / EQUITY**

**26,0**

**33,4**

**CURRENT**

**131,0**

**122,0**

**OPERATING EBIT**

**Turnover**

**2,6**

**1,1**

**Average Total Assets**

**3,8**

**1,5**

**2001**

**Rebuilding Murray & Roberts**



# CASH FLOW

YEAR TO 30 JUNE

(R million)

2001

2000

**GENERATED BY OPS**

**480**

**84**

**Finance Costs & Tax**

**(25)**

**(54)**

**Decrease in Working Capital**

**103**

**49**

**OPERATING CASH FLOW**

**558**

**79**

**2001**

Rebuilding Murray & Roberts



# CASH FLOW

YEAR TO 30 JUNE

(R million)

2001

2000

**OPERATING CASH FLOW**

**558**

**79**

Dividends - Paid  
- Received  
Net Investment Activities

-

(173)

25

25

(83)

(261)

**NET CASH IN / (OUT)**

**500**

**(330)**

2001

Rebuilding Murray & Roberts



# BUILDING & CIVIL ENGINEERING

YEAR TO 30 JUNE

(R million)

2001

2000

**TURNOVER**

2 990

2 989

Building

2 077

2 248

Civil Engineering

913

748

**EBIT**

55

71

Building

27

34

Civil Engineering

28

37

**CAPITAL EMPLOYED**

(308)

(203)

2001

Rebuilding Murray & Roberts



# **BUILDING & CIVIL ENGINEERING**

## **COMMENTARY**

- **Flat domestic and regional market**
- **Consolidation in international markets**
- **Expansion into rest of Africa**

## **PROSPECTS**

- **N4 Platinum Toll Road**
- **Middle East showing signs of improvement**
- **New opportunities in rest of Africa**



# INDUSTRY AND MINING

YEAR TO 30 JUNE

(R million)

2001

2000

**TURNOVER**

Industrial

Mining

**EBIT**

Industrial

Mining

**CAPITAL EMPLOYED**

1 328

915

413

73

55

18

229

1 053

685

368

49

38

11

126

2001

Rebuilding Murray & Roberts



# INDUSTRY AND MINING

## COMMENTARY

- **New acquisitions have added value**
- **Strong demand in Zambia and Tanzania**
- **World class performance at Ibhayi Brewery**

## PROSPECTS

- **Aluminium remains buoyant**
- **Platinum demands greater capital expenditure**
- **New international opportunities**



# ENGINEERED PRODUCTS

YEAR TO 30 JUNE

(R million)

	2001	2000
<b>TURNOVER</b>	<b><u>1 628</u></b>	<b><u>1 847</u></b>
Automotive	1 048	1 349
Transport	580	498
<b>EBIT</b>	<b><u>35</u></b>	<b><u>(19)</u></b>
Automotive	2	(1)
Transport	33	(18)
<b>CAPITAL EMPLOYED</b>	<b>661</b>	<b>579</b>

2001

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# ENGINEERED PRODUCTS

## COMMENTARY

- Major turnaround achieved
- Disposal of AWI in progress

## PROSPECTS

- RoCam project proceeding well
- Rolling stock refurbishment potential
- Motor Industry Development Plan (MIDP)



# SUPPLIES AND SERVICES

YEAR TO 30 JUNE

(R million)

	2001	2000
<b>TURNOVER</b>	<b><u>2 544</u></b>	<b><u>2 823</u></b>
Construction Services	724	788
Piping	688	821
Steel & Allied	1 132	1 214
<b>EBIT</b>	<b><u>120</u></b>	<b><u>43</u></b>
Construction Services	49	48
Piping	31	(18)
Steel & Allied	40	13
<b>CAPITAL EMPLOYED</b>	<b>680</b>	<b>975</b>

2001

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# SUPPLIES AND SERVICES

## COMMENTARY

- Improved performance from all business units
- Significant EBIT improvement on lower revenue
- Sale of Main Industries

## PROSPECTS

- Further improvement forecast off low base
- Strong market position of each company



# CORPORATE

YEAR TO 30 JUNE

(R million)

2001

2000

**CORPORATE**

**(65)**

**(53)**

**Building & Civil Engineering**

**(29)**

**(26)**

**Industry & Mining**

**(3)**

**(4)**

**Engineered Products**

**(7)**

**(11)**

**Supplies & Services**

**(4)**

**(9)**

**Properties & General**

**(1)**

**(2)**

**OVERHEAD**

**(109)**

**(105)**

2001

Rebuilding Murray & Roberts



# UNITRANS

43,6%

54,0%

YEAR TO 30 JUNE

(R million)

Murray & Roberts Share

2001

2000

**HEADLINE EARNINGS**

79

73

Changes in Accounting Policy  
Goodwill Amortised

(4)

-

(4)

-

**ATTRIBUTABLE**

71

73

**DIVIDEND**

25

25

2001

Rebuilding Murray & Roberts



# TRANSFORMATION

## VALUE PROPOSITION

From a reliance on the mobilisation of

**ASSETS AND RESOURCES**

to the leverage of

**KNOWLEDGE AND SOLUTIONS**



# VALUE PROPOSITION

## MAJOR PROJECTS

- Developing countries offer highest growth
- Leveraging South African expertise

## ENGINEERED PRODUCTS

- Developed countries offer largest market
- Leveraging South African competitiveness

# VALUE PROPOSITION

## THE EXTRACTION, BENEFICIATION AND INDUSTRIALISATION OF NATURAL RESOURCES

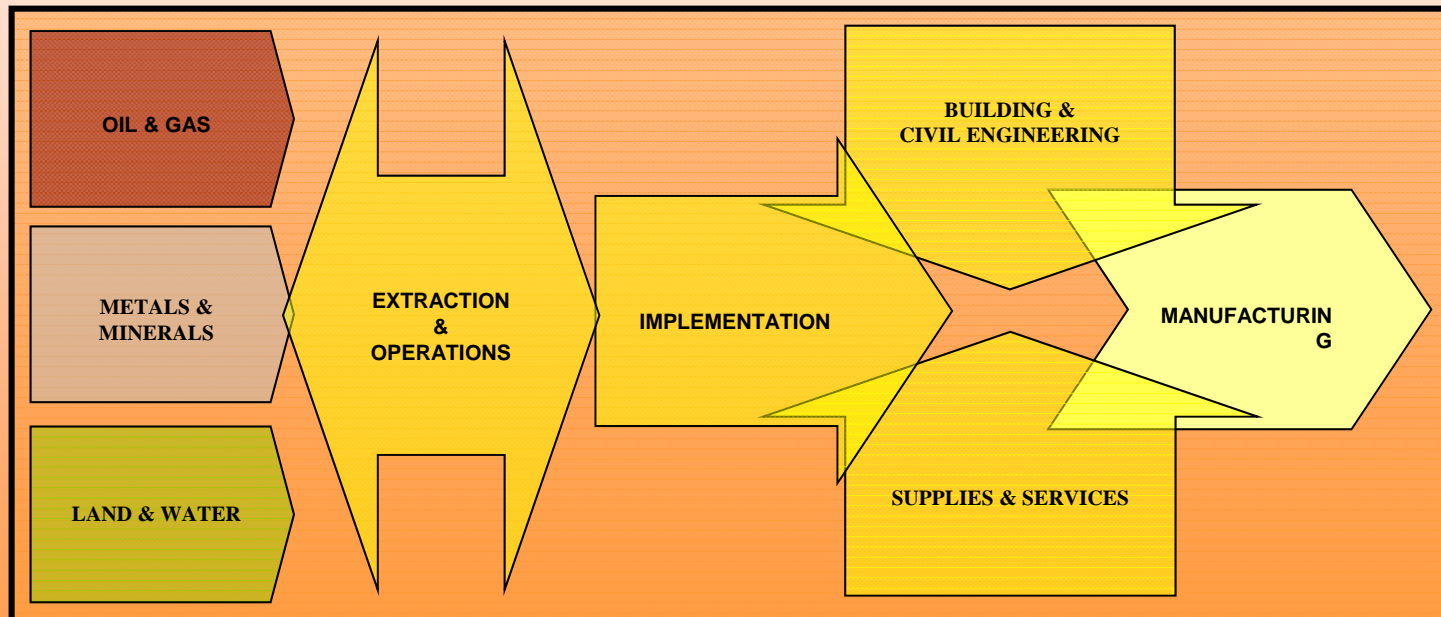
- Sourced primarily from developing economies
- Destined primarily for developed economies

## THE CONSTRUCTION ECONOMY

- The capital formation value chain
- Leveraging expertise into developing economies

# VALUE CHAIN

## EXTRACTION, BENEFICIATION & INDUSTRIALISATION





# WORK IN PROGRESS

## STRATEGIC DISPOSALS

- UNITRANS LIMITED
- ALLOY WHEELS INTERNATIONAL



# WORK IN PROGRESS

## STRATEGIC INTERVENTIONS

- **Organizational review and operations overhead**
- **Group procurement and logistics**
- **Groupwide enterprise systems**
- **Leadership mentoring and transformation coaching**



# THE YEAR AHEAD

## A STAKE IN THE FUTURE

- **Extend the internal Transformation Challenge**
- **Sustainable Growth and Shareholder Value**
- **Achieve Performance Targets for Financial Year**
- **Entrench Risk Management Culture**



# THE YEAR AHEAD

## INVESTMENT IN THE FUTURE

- **Capital Expenditure**                      **R 475 million + 89 %**
- **Acquisitions**                                      **Significant Capacity**
- **Training and Development**
- **Empowerment and Equity**                      **Procurement Policy**



# THE YEAR AHEAD

## MEANINGFUL GROWTH IN EARNINGS

- **Increased Synergy across the Group**
- **Building & Civil Engineering** **Flat**
- **Mining, Industrial & Manufacturing** **Buoyant**
- **International** **Positive**



# THE YEAR AHEAD

## DIVIDEND POLICY

**Achievement of growth and performance objectives  
will enable the resumption of dividend payments  
in the 2002 year**



# MURRAY & ROBERTS

**THANK YOU**

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