REPORT TO STAKEHOLDERS

YEAR ENDED 30 JUNE 2004

Globalising Murray & Roberts

Globalising Murray & Roberts

CONTRACTING PARTNER OF CHOICE

"Our Commitment to Sustainable Earnings Growth and Value Creation is Not Negotiable"

Murray & Roberts

PROSPECTS STATEMENT

ANNUAL REPORT 2003

A year of consolidation

where growth in earnings will be slower

but new opportunities engaged in preparation for

BEYOND REBUILDING MURRAY & ROBERTS

Globalising Murray & Roberts

PROSPECTS STATEMENT

ANNUAL GENERAL MEETING 2003

• Currency Volatility	- R 7,00 < USD 1,00 < R 7,50
• Order Book	- Under Pressure
• Working Capital	- Middle East and Africa
• Market Positive	- Construction Materials
• Market Negative	- Manufacturing

PROSPECTS STATEMENT

TRADING UPDATE 2004

- **Headline Earnings down 15% on 2003**
  - Flat Business Conditions
  - Ongoing Rationalisation
  - Middle East Consolidation
  - Problem Contracts in Africa
- **Material Decline in Order Book**
  - Delays in Major Projects
  - Strength of South African Currency

SALIENT POINTS

YEAR to 30 JUNE

	2004	2003
	(percentage)	
OPERATING MARGIN	5,0	6,3
	(cents per share)	
HEADLINE EARNINGS	158,0	186,0
DIVIDEND	45,0	52,5

AT 30 JUNE

PROJECT ORDER BOOK

(R millions)	2004	2003
Contracting	3 100	4 800
Cementation	1 900	1 800
TOTAL	5 000	6 600
Turnover Relative	82%	98%

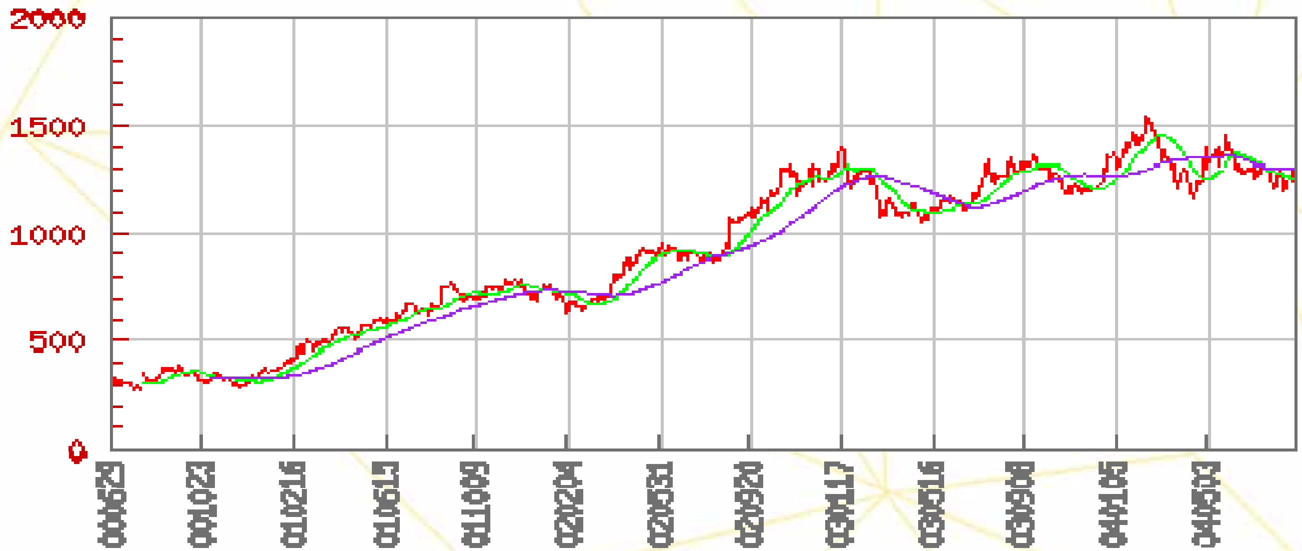
VALUE PER SHARE

AT 30 JUNE

	2004	2003
	(cents per share)	
CASH & BANK BALANCES	333	465
NET ASSET	785	748
(Premium)	165%	148%
MARKET	1 295	1 110

REBUILDING MURRAY & ROBERTS

The share is 450% up on the 300 cps of 1999/2000
and Shareholder Value has improved R 3,5 billion.



REBUILDING MURRAY & ROBERTS

Rebuilding Murray & Roberts is a change strategy for sustainable earnings growth and value creation

We serve the construction economies of less developed countries and aspire to global recognition in an industry uniquely responsible for the modification of the natural environment in delivering the built environment for the benefit of humanity.

STRATEGIC CHALLENGE

TURNAROUND & TRANSFORMATION

From a reliance on the mobilisation of

ASSETS AND RESOURCES

to the leverage of

KNOWLEDGE AND SOLUTIONS

In the framework of a

UNITARY MURRAY & ROBERTS

STRATEGIC BUSINESS MODEL

Our Commitment to Sustainable Earnings Growth and Value Creation is Not Negotiable

TRANSFORMATION

Mobilisation of Assets & Resources Experience and Work to **Leverage of Assets & Resources Knowledge and Solutions**

World Class Fulfilment

Deliver **Major Projects** into the growth markets of less developed economies

Deliver **Construction Products** into the growth markets of more developed economies

Our Core Skill is Engineering

Our Core Business is Contracting

Our Core Competence is Industrial Design

Murray & Roberts

CORE COMPETENCE

100 YEARS OF MURRAY & ROBERTS LEARNING

The capability to co-ordinate a diverse range of skills and integrate streams of appropriate technologies and resources in the creation and delivery of

INNOVATIVE PRODUCT AND PROJECT SOLUTIONS

that offer economic value to Investors

and are of benefit to the Market

BENCHMARKING THE FUTURE

PERFORMANCE TARGETING

• Return on Shareholder Funds	+ 20%
• Operating Margin	+ 5%
• Attributable Earnings	+ R 600 million

STRATEGIC RISK MANAGEMENT

OPERATING MARGIN

• Optimum	7,5%	(Competition)
• Baseline	5,0%	(Diversity)

Murray & Roberts

STRATEGIC RISK MANAGEMENT

BUSINESS PROPOSITION

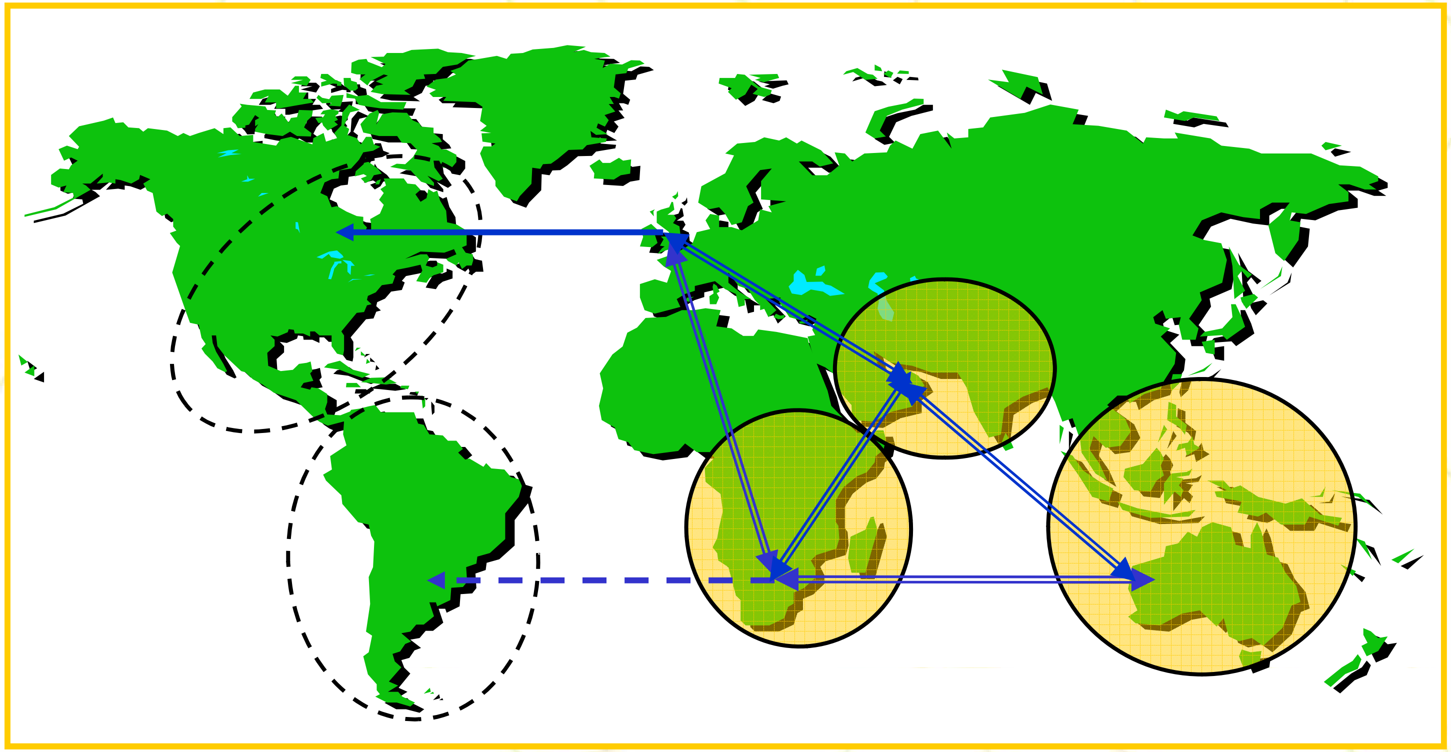
Engineering

Contracting

Industrial Design

World Class Fulfillment

GLOBAL BUSINESS MODEL



Globalising Murray & Roberts

YEAR to 30 JUNE

INCOME STATEMENT

	2004	2003
	(R million)	
REVENUE	8 424	10111
EBITDA	615	856
Depreciation & Amortisation	(194)	(223)
OPERATING PROFIT	421	633

Murray & Roberts

INCOME STATEMENT

	YEAR to 30 JUNE 2004	2003
	(R million)	
OPERATING PROFIT	**421**	**633**
Exceptional items	(9)	(5)
Net Financing Income (Cost)	10	(66)
Taxation	(27)	(76)
Outside shareholders	(25)	(9)
Income from associates	114	97
ATTRIBUTABLE	**484**	**574**

CHANGE IN EQUITY

YEAR to 30 JUNE	2004 (R million)
AT 1 JULY 2003	**2 484**
Attributable earnings	484
Foreign Currency Translation	(163)
AC 133	12
Other	(43)
Dividend	(167)
AT 30 JUNE 2004	**2 607**

Murray & Roberts

BALANCE SHEET

	AT 30 JUNE 2004	2003
	(R million)	
TOTAL ASSETS	6 057	6 303
Cash	1 104	1 544
Fixed & current	4 953	4 759
EQUITY & LIABILITIES	6 057	6 303
Permanent capital	2 661	2 497
Non-current liabilities	580	714
Current liabilities	2 816	3 092

CASH FLOW

	YEAR to 30 JUNE 2004	2003
	(R million)	
GENERATED BY OPS	**533**	**824**
Finance Costs & Taxation	(43)	(99)
Change in Working Capital	(88)	(270)
Head Leases	(114)	(99)
OPERATING CASH FLOW	**288**	**356**

YEAR to 30 JUNE

CASH FLOW

	2004	2003
	(R million)	
OPERATING CASH FLOW	**288**	**356**
Dividends Paid	(168)	(163)
Investment Activities (Net)	(253)	(142)
NET CASH FLOW	**(133)**	**51**

Murray & Roberts

PRIMARY MARKET FOCUS

CONSTRUCTION ECONOMY

> 75 % of Total Business Activity

Southern Africa and rest of Africa

Middle East and Asia

Australasia and Canada*

* - Cementation only

YEAR to 30 JUNE

Construction Materials

	2004	2003
	(R million)	
REVENUE	3 011	3 383
Steel	1 956	2 358
Infrastructure	737	634
Services	318	391
EBIT	274	288
Steel	113	167
Infrastructure	134	92
Services	27	29
CAPITAL EMPLOYED	729	605

Construction

	YEAR to 30 JUNE 2004 (R million)	2003
REVENUE	3 502	3 981
Building & Industrial	2 506	2 758
Infrastructure	516	728
Mining	480	495
EBIT	96	199
Building & Industrial	100	134
Infrastructure	(17)	33
Mining	13	32
CAPITAL EMPLOYED	217	153

YEAR to 30 JUNE

Engineering Contracting

	2004	2003
	(R million)	
REVENUE	651	955
Industrial	471	800
Mining	139	50
Infrastructure	41	105
EBIT	81	116
Industrial	63	103
Mining	14	4
Infrastructure	4	9
CAPITAL EMPLOYED	3	(7)

SECONDARY MARKET FOCUS

INDUSTRIAL MANUFACTURING

< 25 % of Total Business Activity

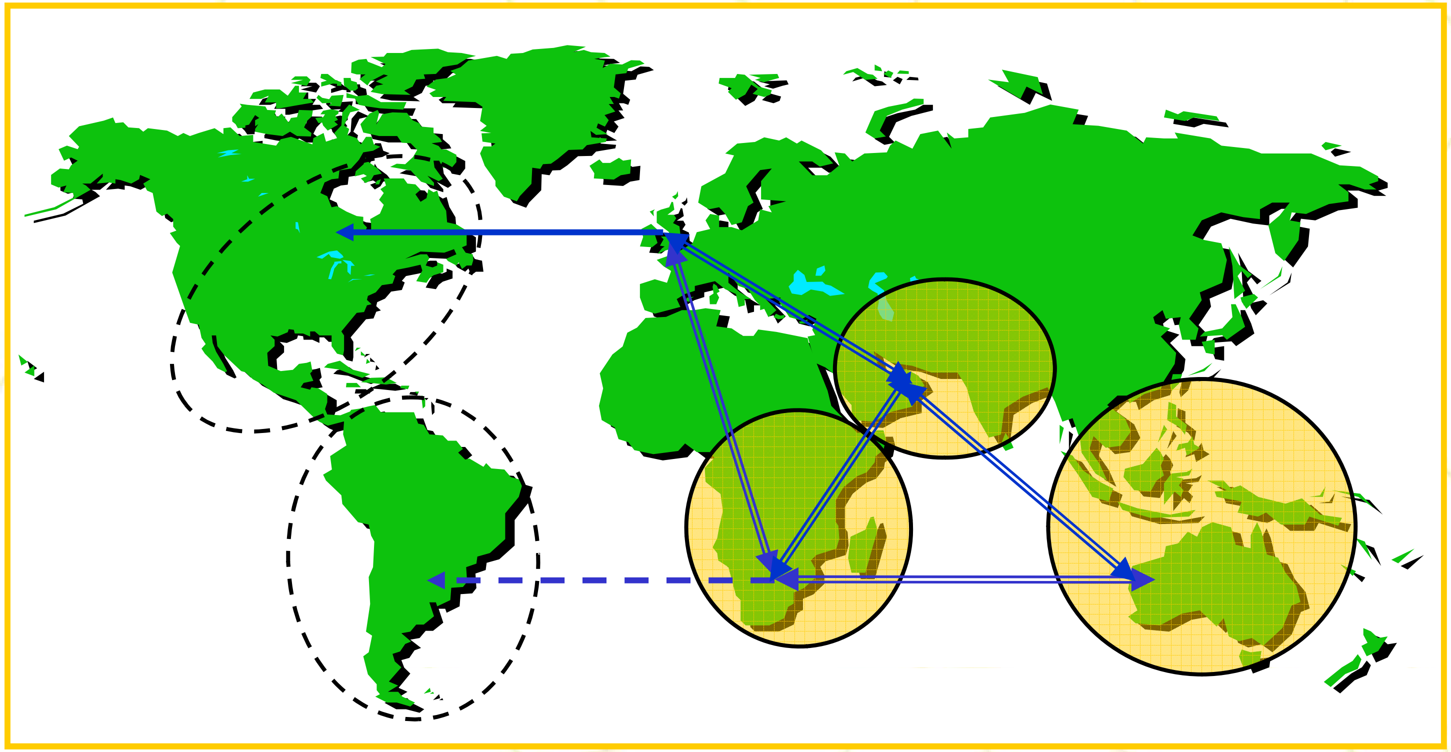
Sophisticated Engineered Products
to the Automotive and Transport sectors
in selected domestic and global markets

YEAR to 30 JUNE

Manufacturing

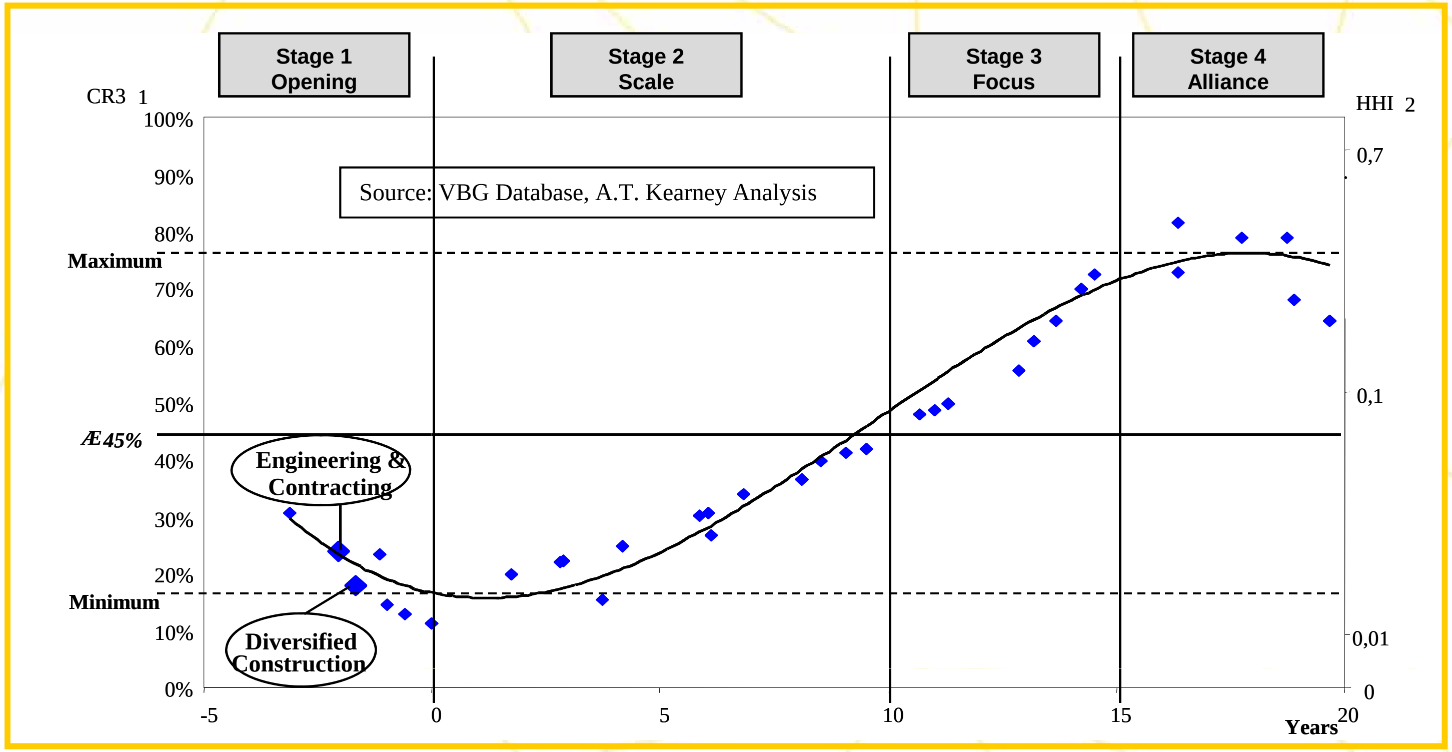
	2004	2003
	(R million)	
REVENUE	1 259	1 762
Automotive	501	673
Transport	572	818
Services	186	271
EBIT	70	125
Automotive	39	52
Transport	28	62
Services	3	11
CAPITAL EMPLOYED	589	699

GLOBAL BUSINESS MODEL



Globalising Murray & Roberts

GLOBAL CONSOLIDATION MODEL



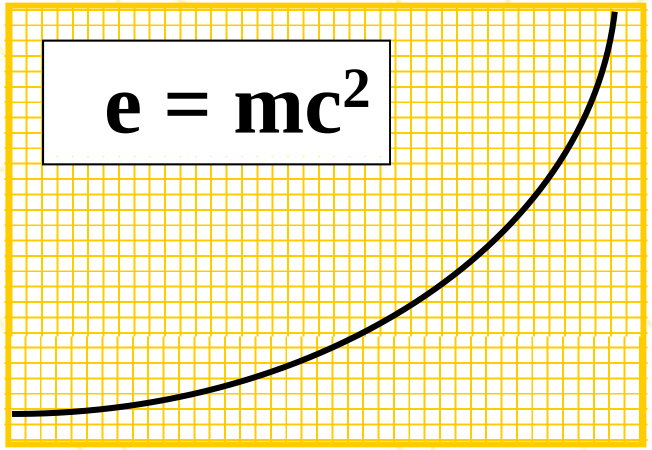
Footnote: -CR3: Market share of the three biggest in relation to the overall market size in the VBG-Database
- HH1: Hirschman-Herfindahl Index equal to the sum of the squared market share of all companies.
Correlation of HH1 and CR3 is > 90% ;HH1 - Axis is logarithmic scale

GROWTH THROUGH RISK MANAGEMENT

STP = STANDARD TERMS OF PERFORMANCE

Geopolitical – South Africa
Legislative – Roman Dutch
Business – Contracting
Discipline – Engineering
Longitude – Greenwich ±

Construction – Design Build
South Africa – Global
Greenwich – East & West



The Energy (e) required to overcome risk is the product of its scale (m) and at least the square of its difference (c) from Standard Terms of Performance.

GROWTH THROUGH EXPANSION

WE ARE MURRAY & ROBERTS

- **Murray & Roberts International**
  - International Advisory Board
  - Executive Capacity
- **London Representative Office**
- **Dubai Operations Centre**
- **Africa Co-ordinating Office**
  - Gaborone vs Nairobi
- **Eastern Hemisphere Platform**
  - Clough in Perth

THE CONSTRUCTION ECONOMY

KEITH SMITH

Construction Materials

- Murray & Roberts Steel
- Much Asphalt
- Rocla

Construction Services

- Tolcon
- Johnson Arabia
- [Criterion & Improvair]*

* - Investments

THE CONSTRUCTION ECONOMY

STEPHEN PELL

Murray & Roberts Construction

- **Building**
- **Civil Engineering**
- **Roads & Earthworks**
- **Mechanical Electrical & Instrumentation**
- **SADC**
- **Rest of Africa***

* - Projects only

THE CONSTRUCTION ECONOMY

MALOSE CHABA

Murray & Roberts Engineering Solutions

- **Mining and Industrial**
- **Power and Energy**
- **Coastal Marine**
- **Mega Projects***

* - Systems Support & Management

INTERNATIONAL

PETER ADAMS

Murray & Roberts United Kingdom

- **Cementation Canada**

- **Middle East***
- **North Africa***

* - Corporate Services

GROWTH THROUGH ACQUISITION

THE CONSTRUCTION ECONOMY

- **Disposal and Rationalisation**
  - Unitrans
  - Industrial Manufacturing
  - Industrial Services
- **Acquisition and Merger**
  - Construction Materials
  - Mining & Industrial
  - Oil & Gas

INDUSTRIAL MANUFACTURING

EDWIN HEWITT

Murray & Roberts Foundries

- **Alucast**
- **Autocast**

The UCW Partnership*

[Consani Engineering]^

* - J&J Group
^ - Investment

GROWTH THROUGH ACQUISITION

CLOUGH LIMITED

Globalising Murray & Roberts

GROWTH THROUGH ACQUISITION

CLOUGH LIMITED

- Established 85 years ago in West Australia
- Leading engineering & construction contractor
- Significant capacity in the oil & gas sector
- Extensive presence in Southeast Asia and Asia
- Similar background and history to Murray & Roberts
- Listed on ASX in 1998
- Clough Family control at 54%
- Murray & Roberts platform for eastern hemisphere
- Clough platform for West Africa and Middle East

GROWTH THROUGH ACQUISITION

CEMENTATION MINING

GROWTH THROUGH ACQUISITION

CEMENTATION MINING

- Established 80 years ago in South Africa
- Imported technologies enabling deep-level mining
- Leader in underground mining construction
- Acquired by Kvaerner 1998
- Global expansion into Australia & Canada
- Acquired by Skanska 2001
- Complementary skills to Murray & Roberts RUC
- Establishes Murray & Roberts as the global leader in underground mining construction

THE CONSTRUCTION ECONOMY

SEAN FLANAGAN

Murray & Roberts Cementation

- **Cementation Africa***
- **Murray & Roberts RUC**

* - Listed 79%

GROWTH THROUGH EMPOWERMENT

WE ARE SOUTH AFRICAN

- **Strategic Operating Partnership**
  - South Africa and Rest of SADC
  - Focused on Construction Economy
  - Building Grassroots Capacity
  - Value-for-Value Proposition
- **Cementation Africa**
  - The Mining Charter
- **The UCW Partnership**

PROSPECTS FOR THE FUTURE

FOR THE YEAR TO 30 JUNE 2005

"It is expected that Unitrans will contribute associate earnings only for the first half-year and that the reduction in second half-year earnings subsequent to the disposal will not be fully compensated by contributions from new acquisitions.

The directors expect that earnings for the year to 30 June 2005 will not show a material change while the Group reorganises itself to meet the objectives of Globalising Murray & Roberts."

PROSPECTS FOR THE FUTURE

GLOBALISING MURRAY & ROBERTS

"This is the new strategy for the Group approved by the board from 1 July 2004. Building on the foundation of a successful turnaround over the past four years, implementation of this strategy will demand a commitment of leadership intervention and innovation matching that of Rebuilding Murray & Roberts.

Executive capacity has been assembled over the past few years to engage this journey to a new and exciting future."

THANK YOU

This presentation is available on

www.murrob.com