

# **INTERIM REPORT to STAKEHOLDERS**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2005**



**Globalising Murray & Roberts**

**CHAIRMAN STATEMENT**

**“The directors are of the view that the next few years will be positive for the Group and that there will be real growth in headline earnings in the year to 30 June 2006.”**



**CHIEF EXECUTIVE REPORT**

**“We feel positive about our future prospects based on the current economic prognosis for our selected markets.**

**--- we expect the years ahead to bring real growth in headline earnings off the sound and strategic platform established over the past five years.”**



**HIGHLIGHTS**

- ✓ **Interim Dividend up 33% to 20 cents per share**
- ✓ **Operating Profit up 50%**
- ✓ **Operating Cash Flow up R 107 million**
- ✓ **Strong Order Book up 13% to R 9,6 billion**
- ✓ **Headline earnings maintained (excluding BBBEE transaction)**
- ✓ **Empowerment Transaction Concluded**



**HIGHLIGHTS**

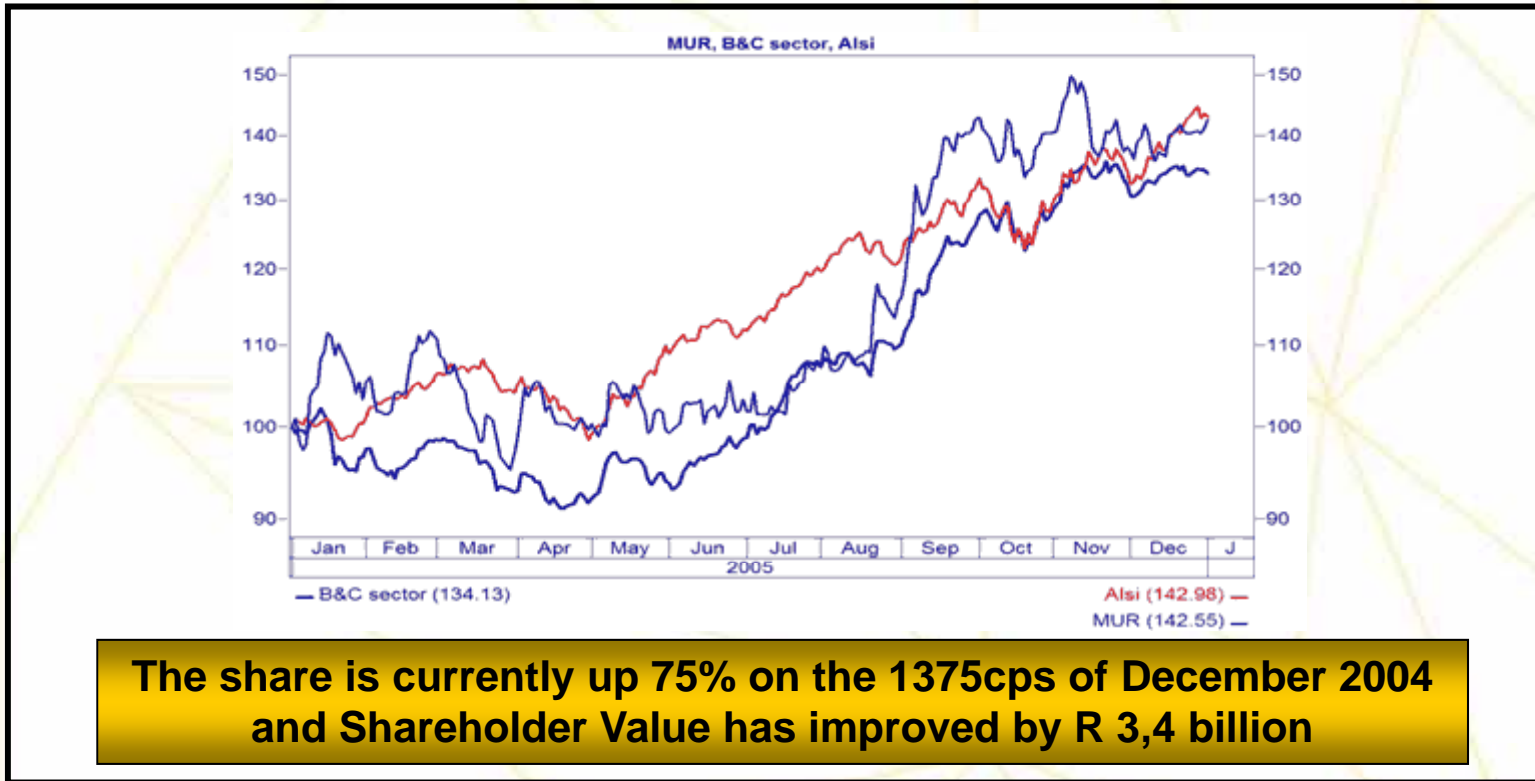
**Over the past six months Murray & Roberts has secured a leading partnership position in a number of major public sector programs with a Total Investment Value > R 100 billion**

- ✓ **VRESAP Pipeline for TCTA**
- ✓ **Pebble Bed Demonstration Plant for PBMR**
- ✓ **Coalink Locomotive Program for Spoornet**
- ✓ **Gautrain Rapid Rail Link for Gauteng**
- ✓ **Engineering Services for ESKOM Generation**





# SHARE PRICE PERFORMANCE



**INTERNATIONAL FINANCIAL REPORTING STANDARD**

**“The Group adopted IFRS with effect from 1 July 2005.**

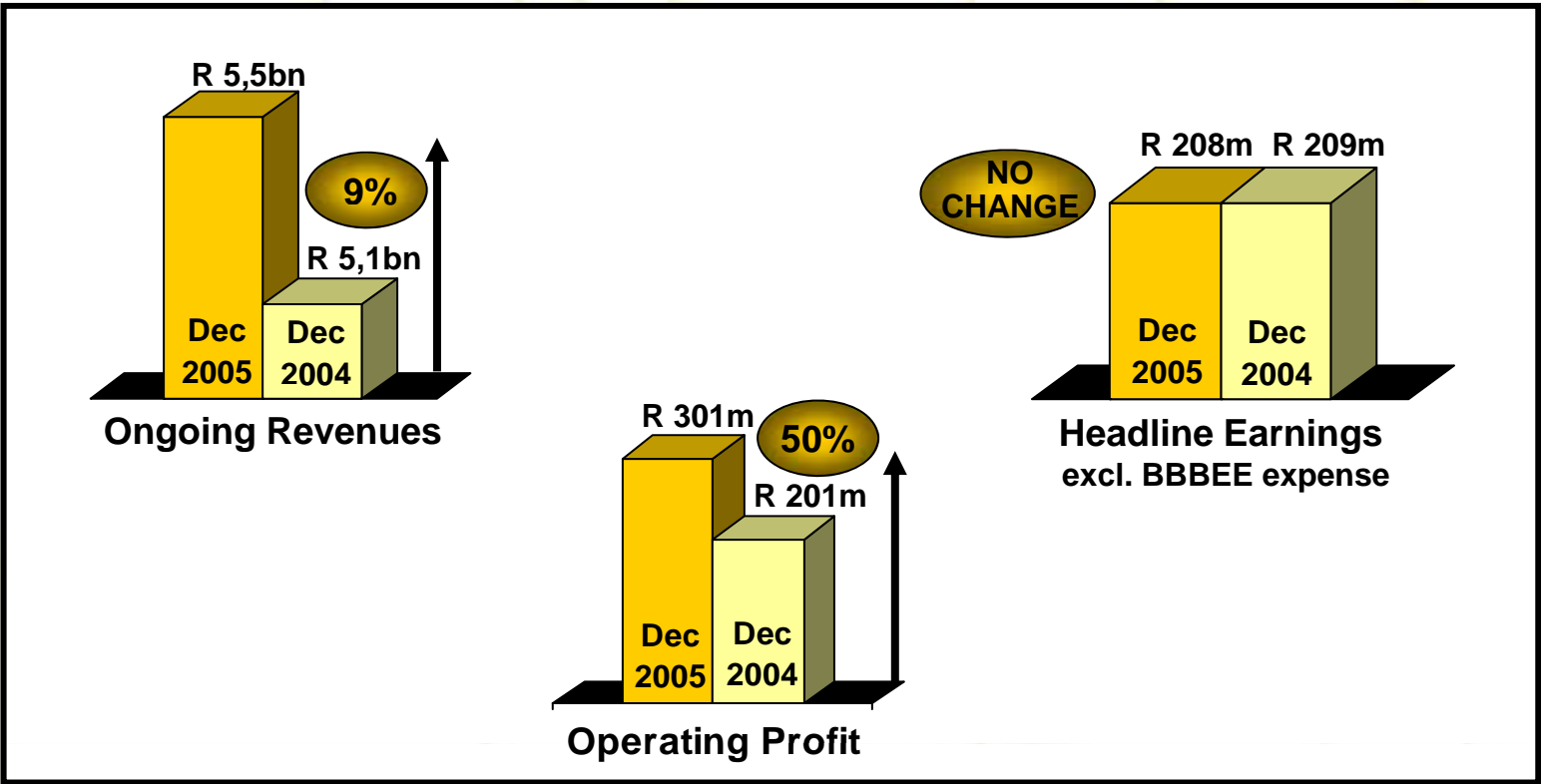
**There has been a restatement of Headline Earnings for the year ended 30 June 2005 increasing performance in that year to 145 cents per share”**





# PERFORMANCE REPORT

## Half Year to 31 December 2005

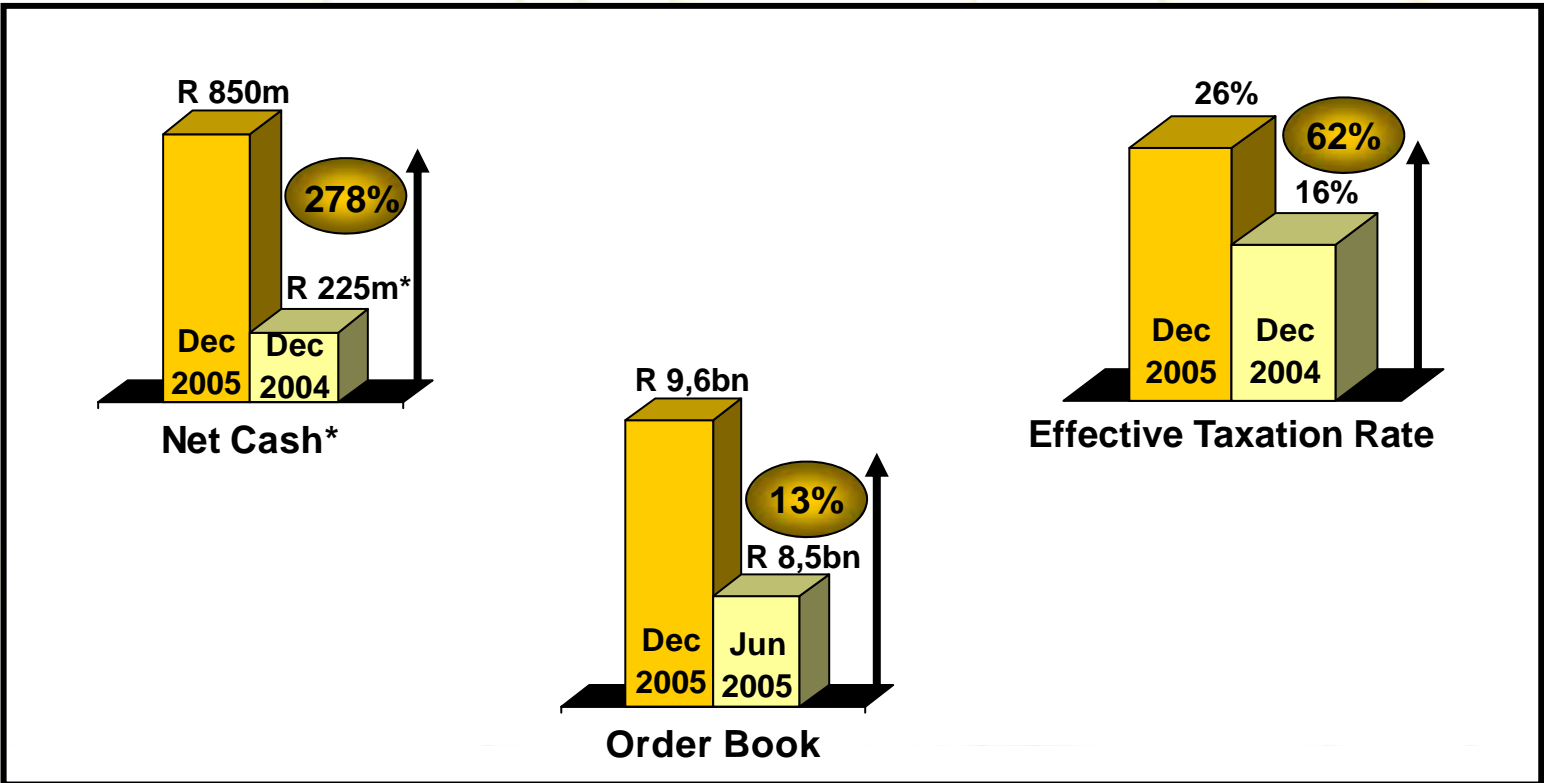






# PERFORMANCE REPORT

## Half Year to 31 December 2005



\*excluding proceeds of disposal of Unitrans



**PERFORMANCE REPORT**  
Half Year to 31 December 2005

	Dec 2005	Dec 2004
<b>DIVIDEND (cents per share)</b>	<b>20</b>	<b>15</b>
<b>OPERATING PROFIT (R millions)</b>	<b>301</b>	<b>201</b>
<b>OPERATING MARGIN (Percentage)</b>	<b>5,3</b>	<b>3,8</b>
<b>HEADLINE EARNINGS* (cents per share)</b>	<b>65</b>	<b>65</b>

\* excluding BBBEE expense



## BALANCE SHEET

(R millions)

Dec 2005

Dec 2004

**TOTAL ASSETS**

6 590

6 604

Cash

1 113

576

Fixed & Current

5 477

6 028

**TOTAL EQUITY & LIABILITIES**

6 590

6 604

Permanent capital

2 793

2 841

Non-current liabilities

859

741

Current liabilities

2 938

3 022

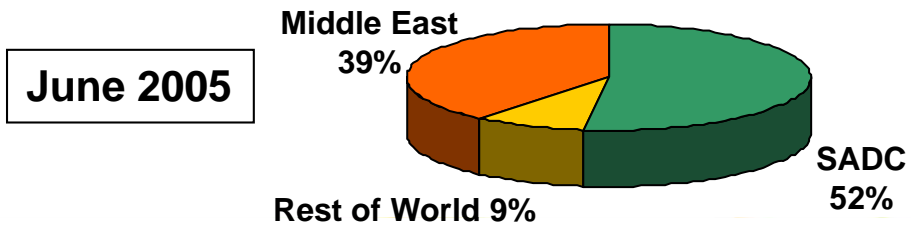
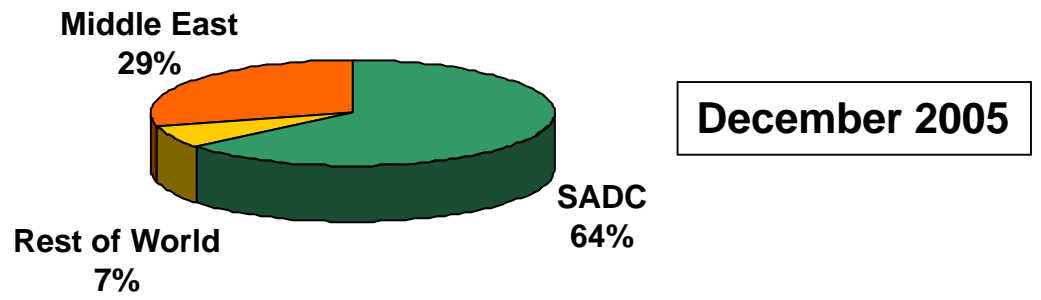


**ORDER BOOK**



**CONSTRUCTION & ENGINEERING**

● R 9,6 billion at 31 December 2005

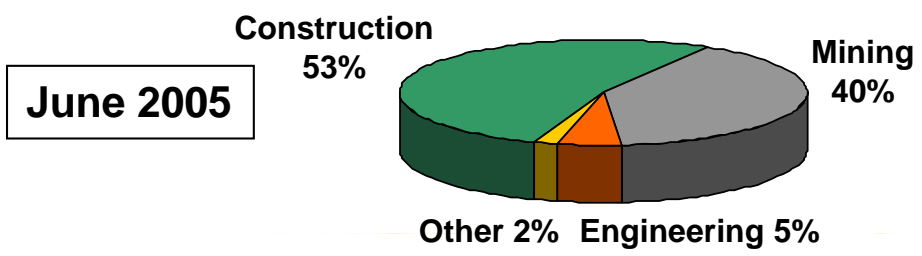
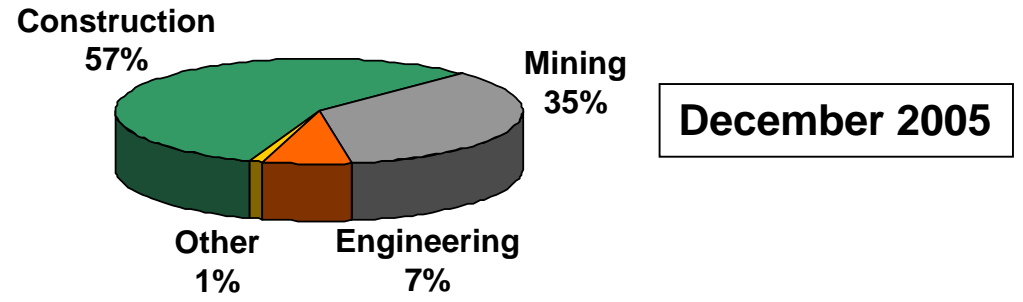


**ORDER BOOK**



**CONSTRUCTION & ENGINEERING**

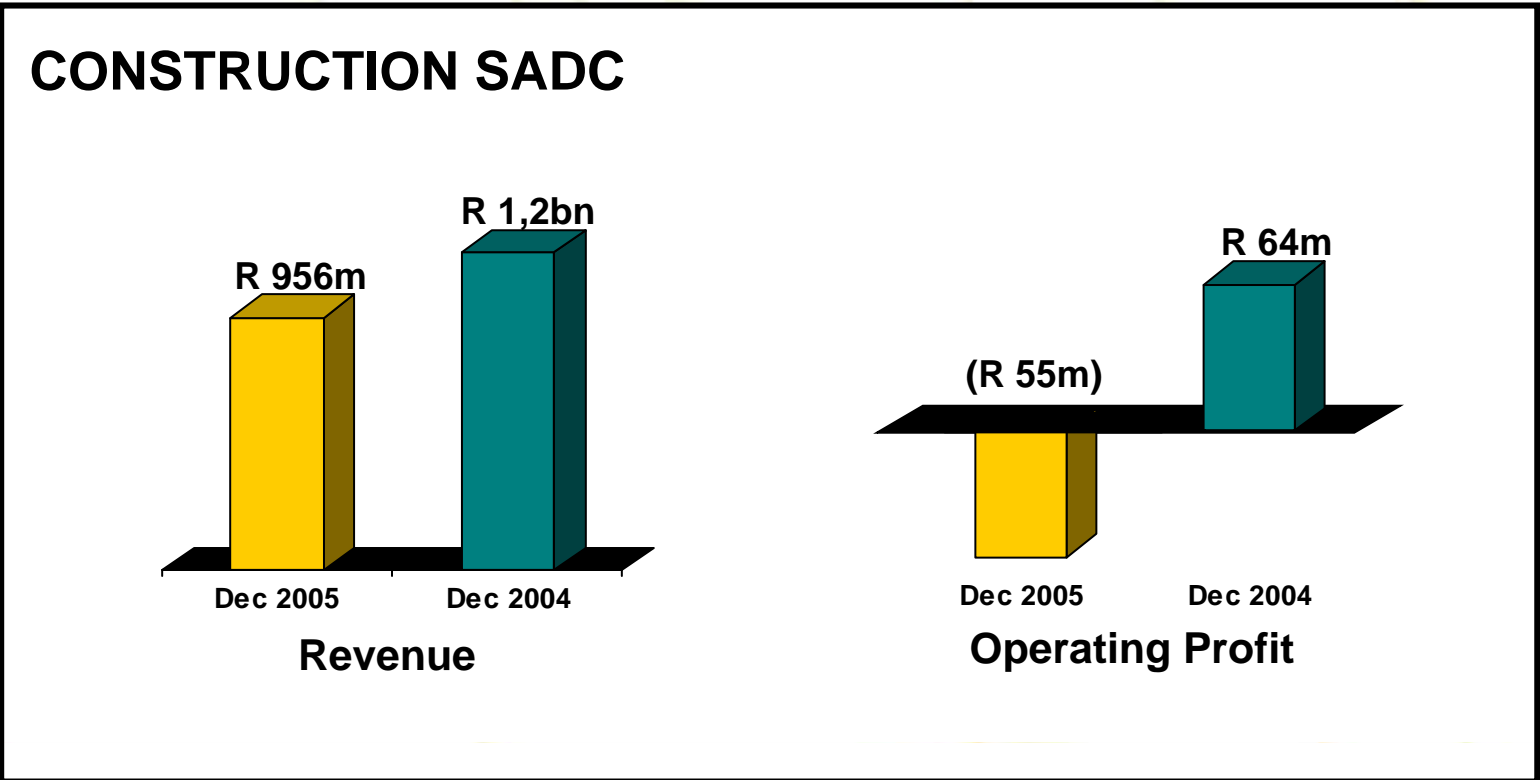
● 13% Growth since 30 June 2005





# PERFORMANCE REPORT

## Half Year to 31 December 2005



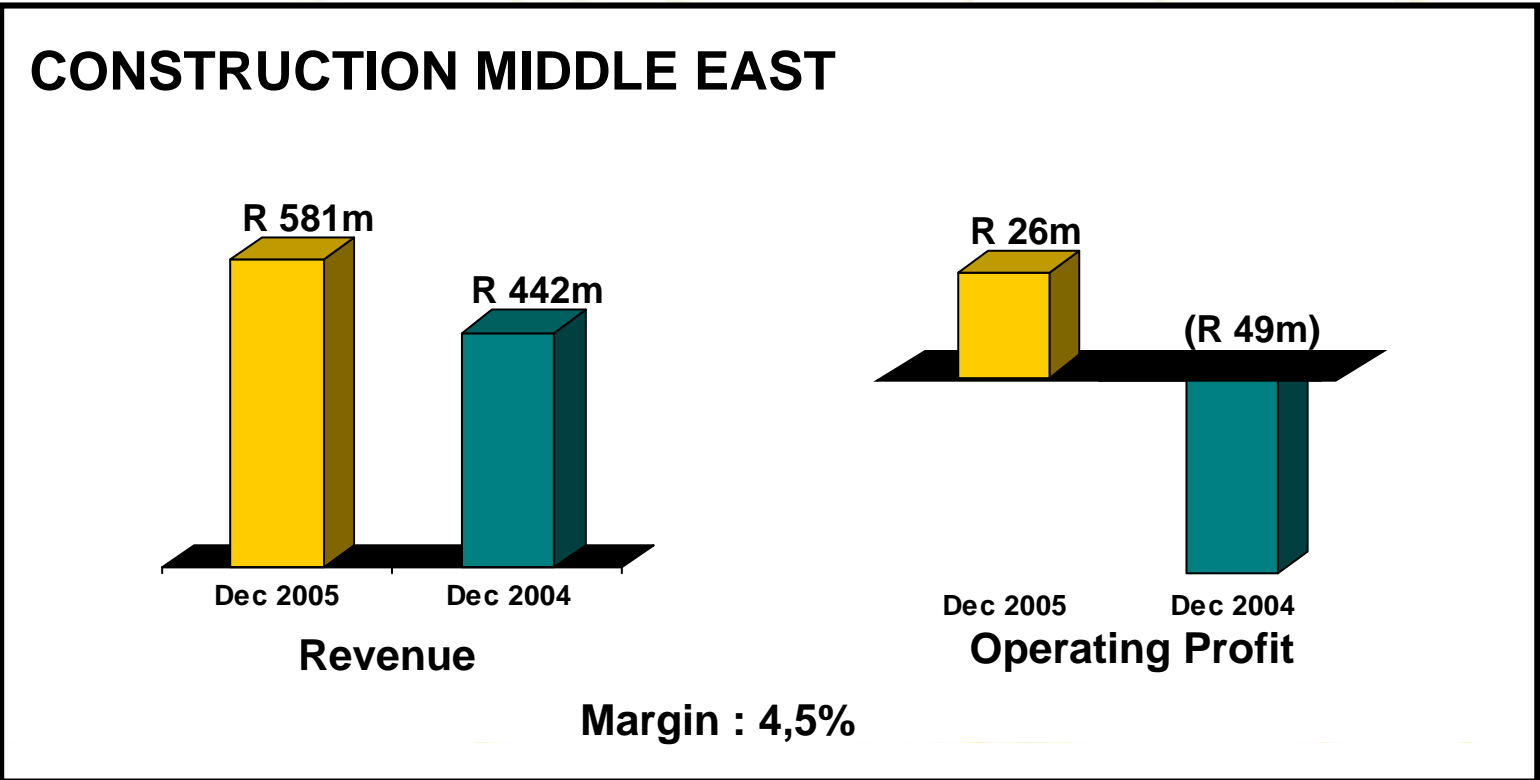
\*excluding Concessions





# PERFORMANCE REPORT

## Half Year to 31 December 2005



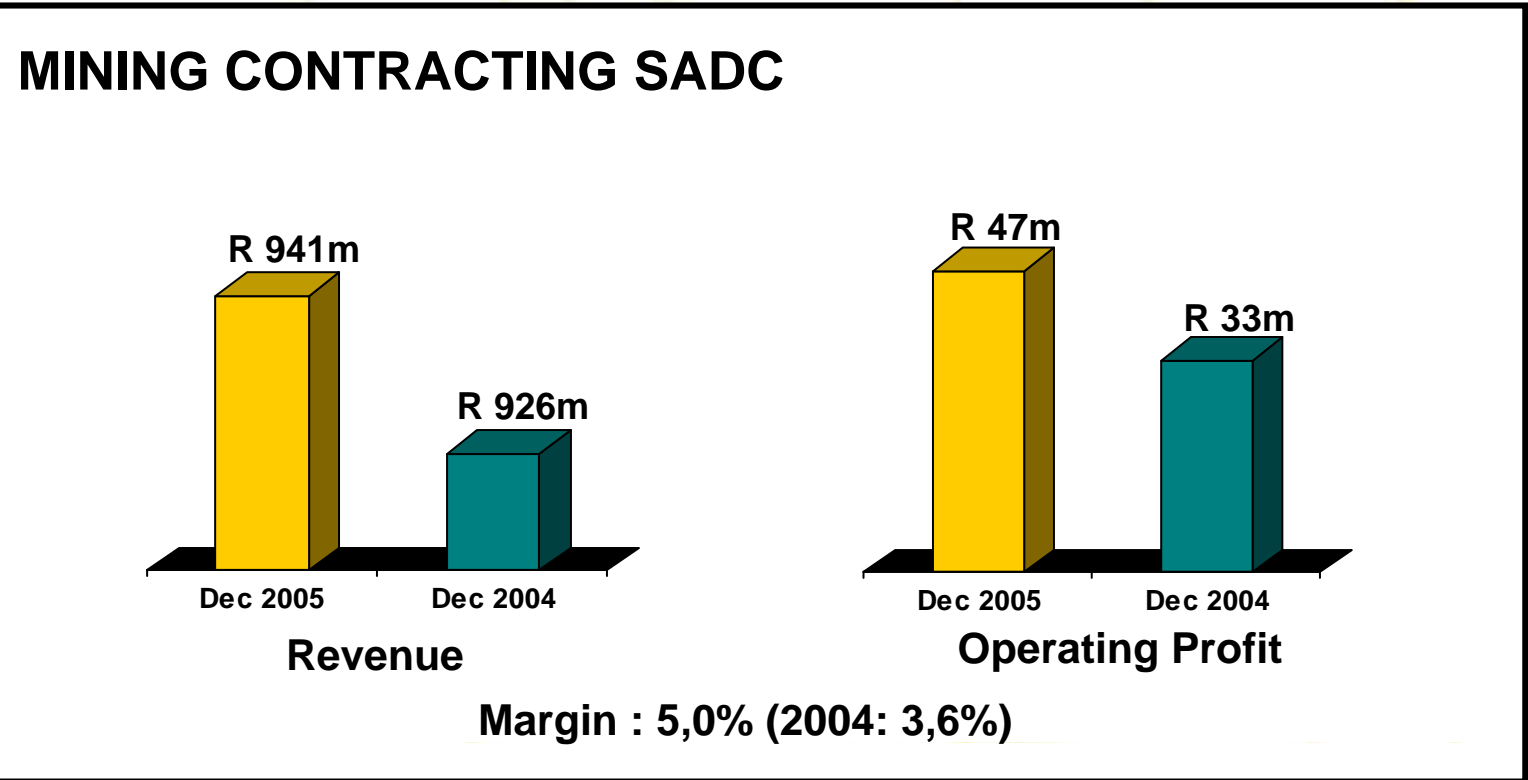
\*including Egypt





# PERFORMANCE REPORT

Half Year to 31 December 2005

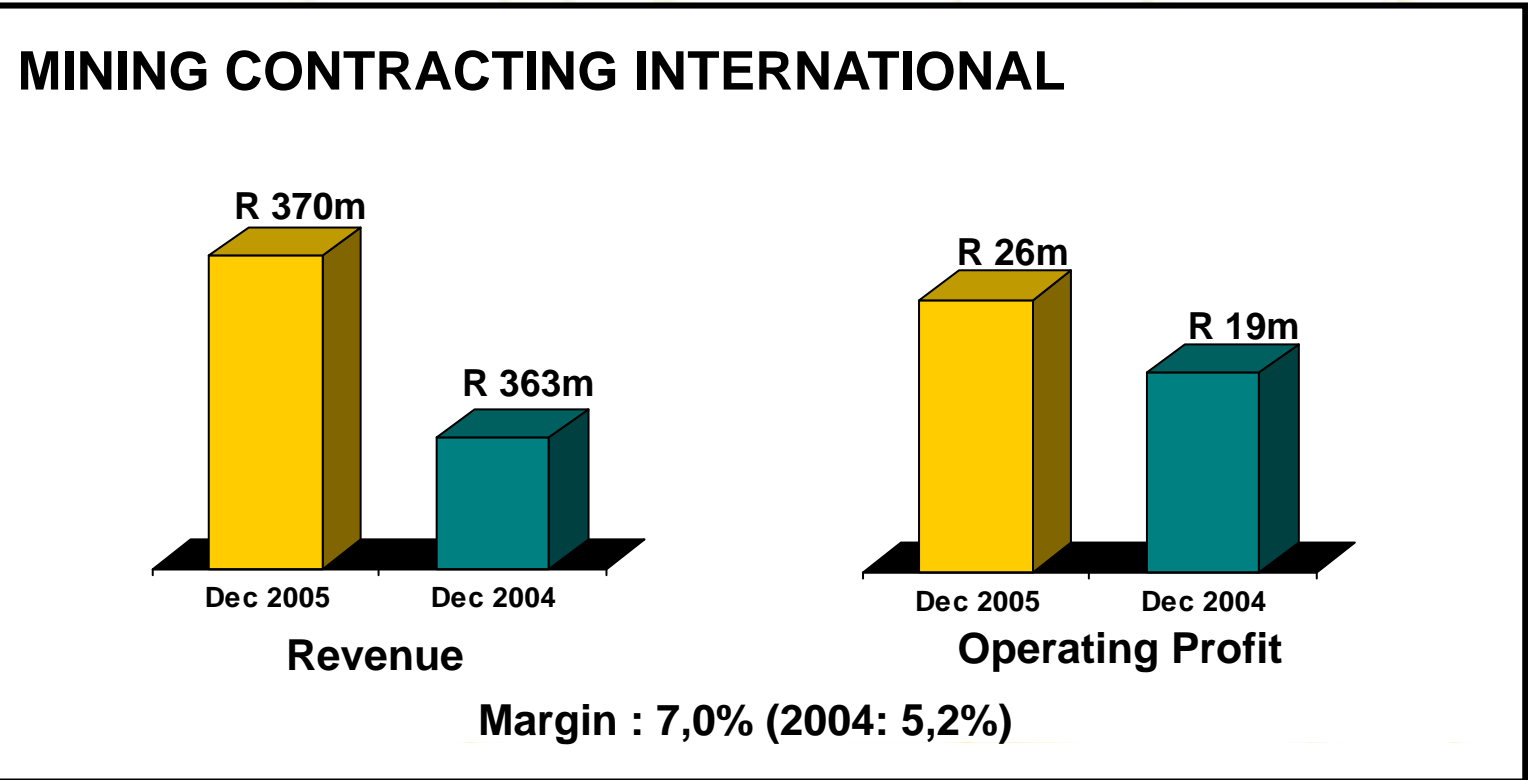






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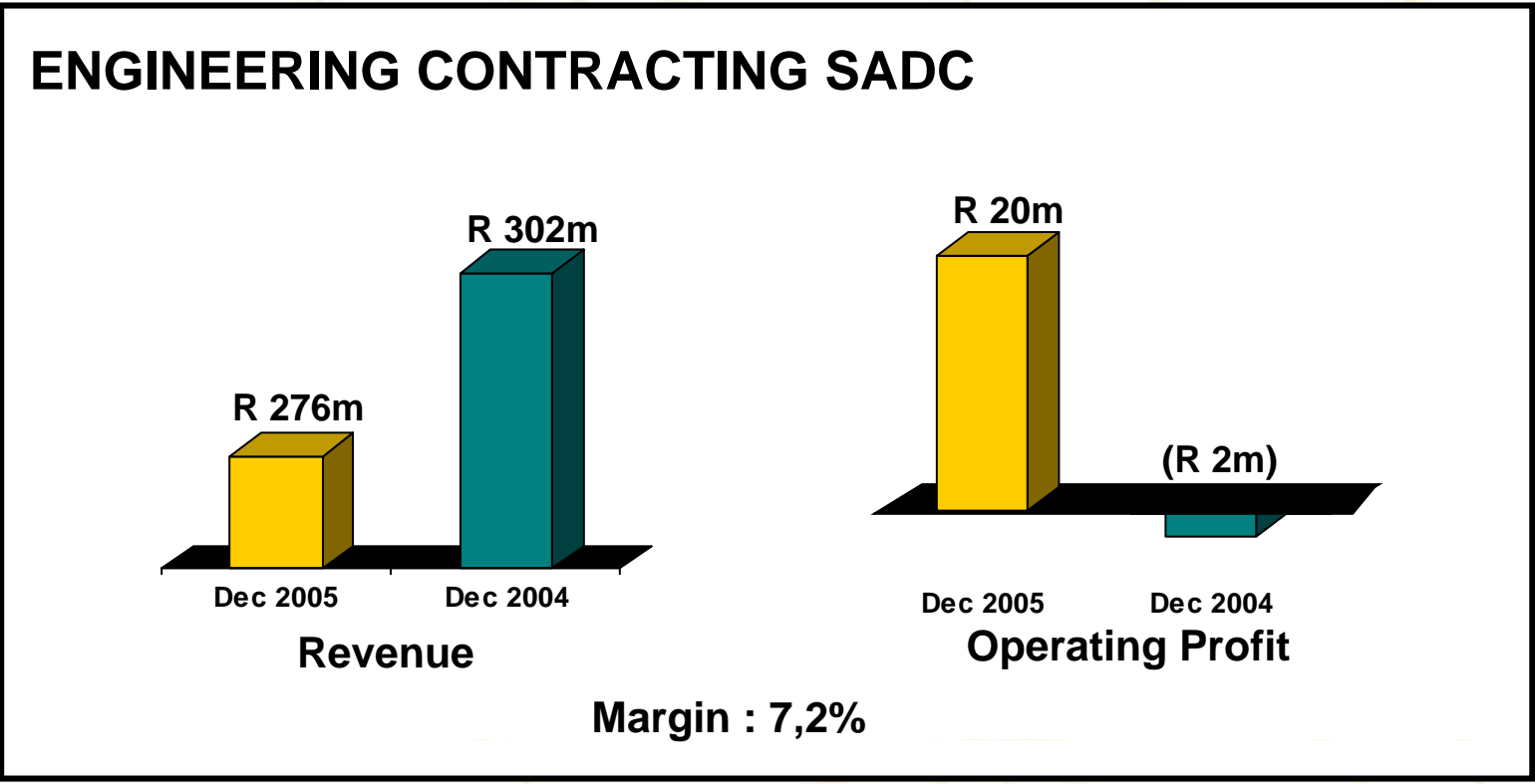
Half Year to 31 December 2005





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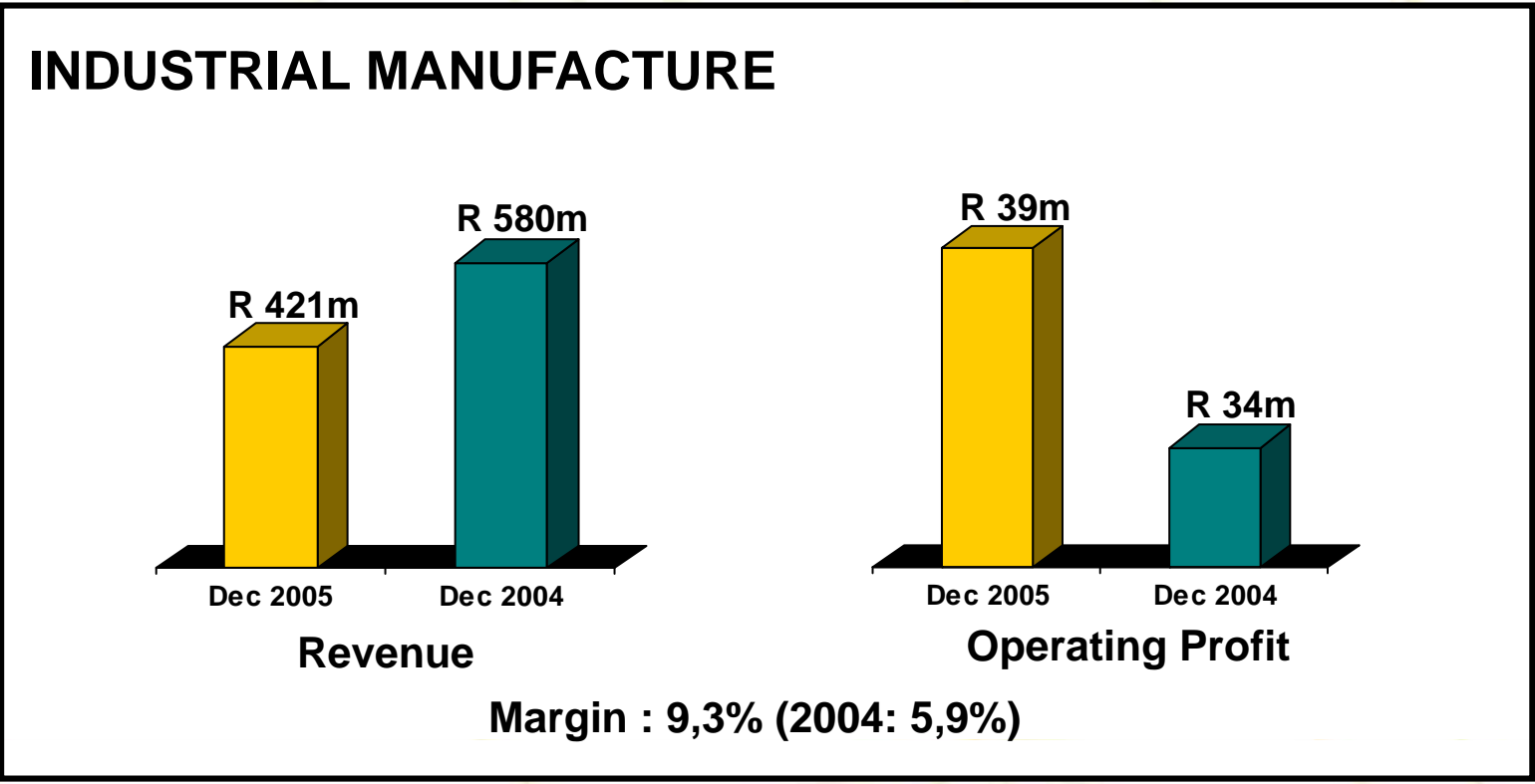
Half Year to 31 December 2005





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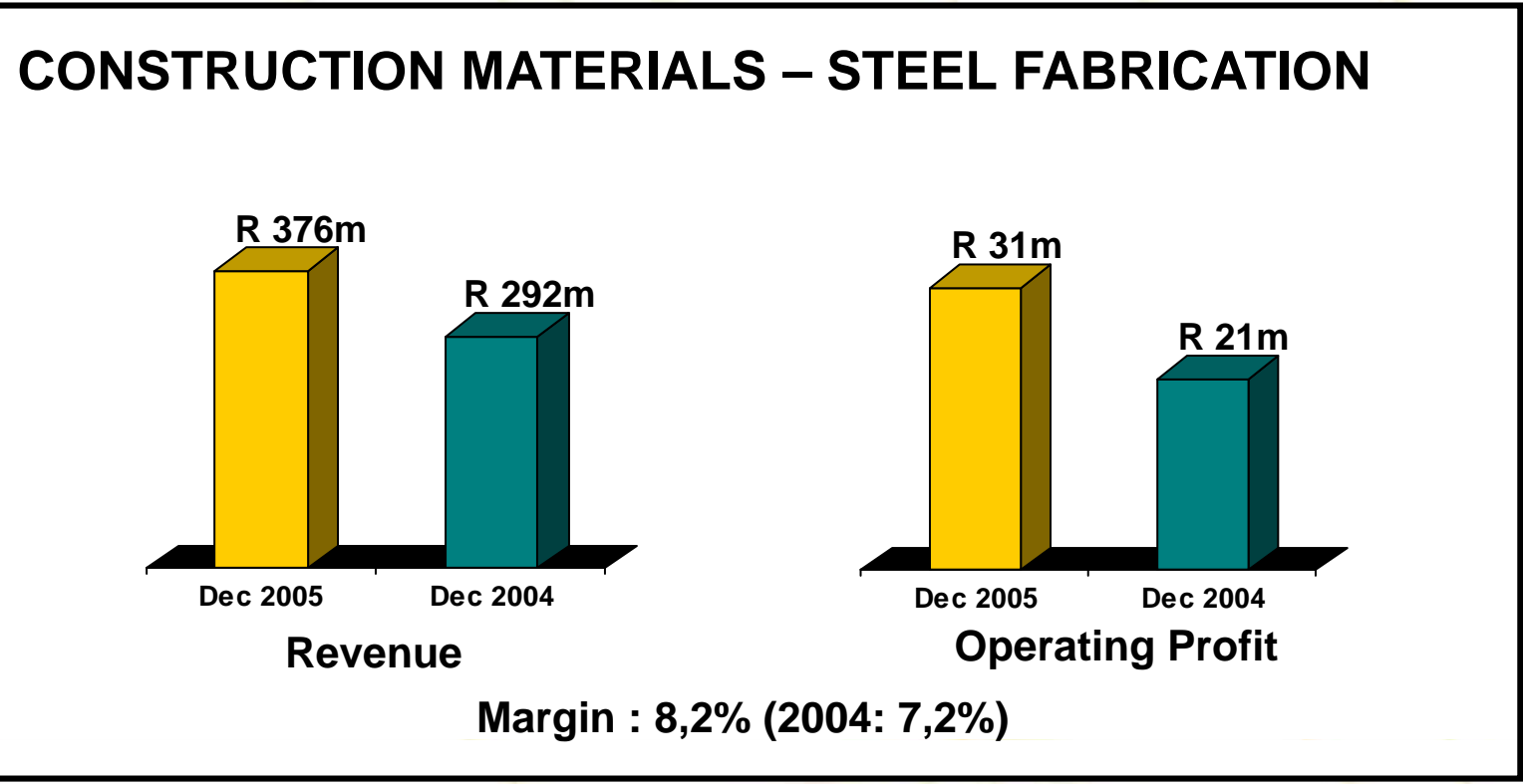
Half Year to 31 December 2005





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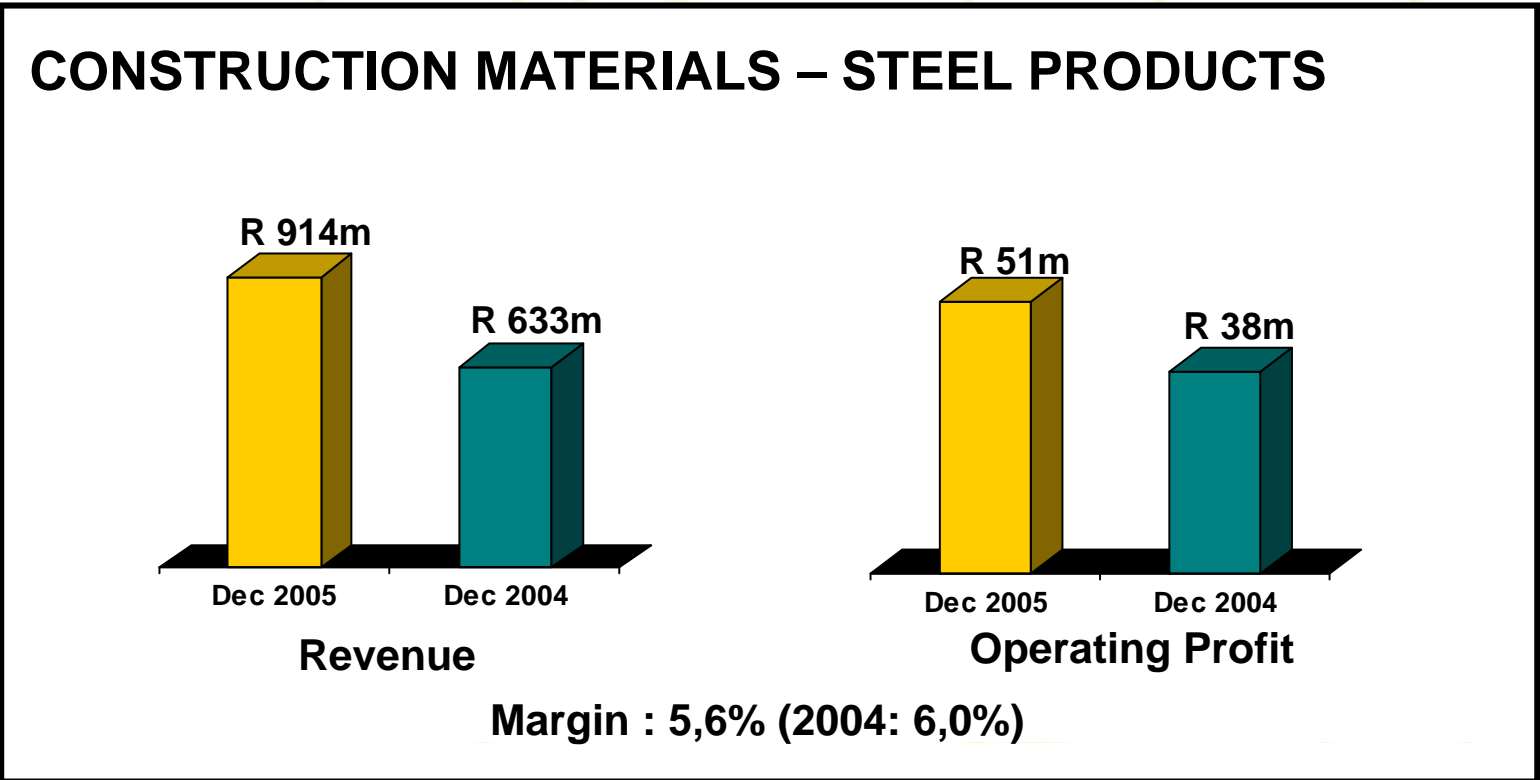
Half Year to 31 December 2005





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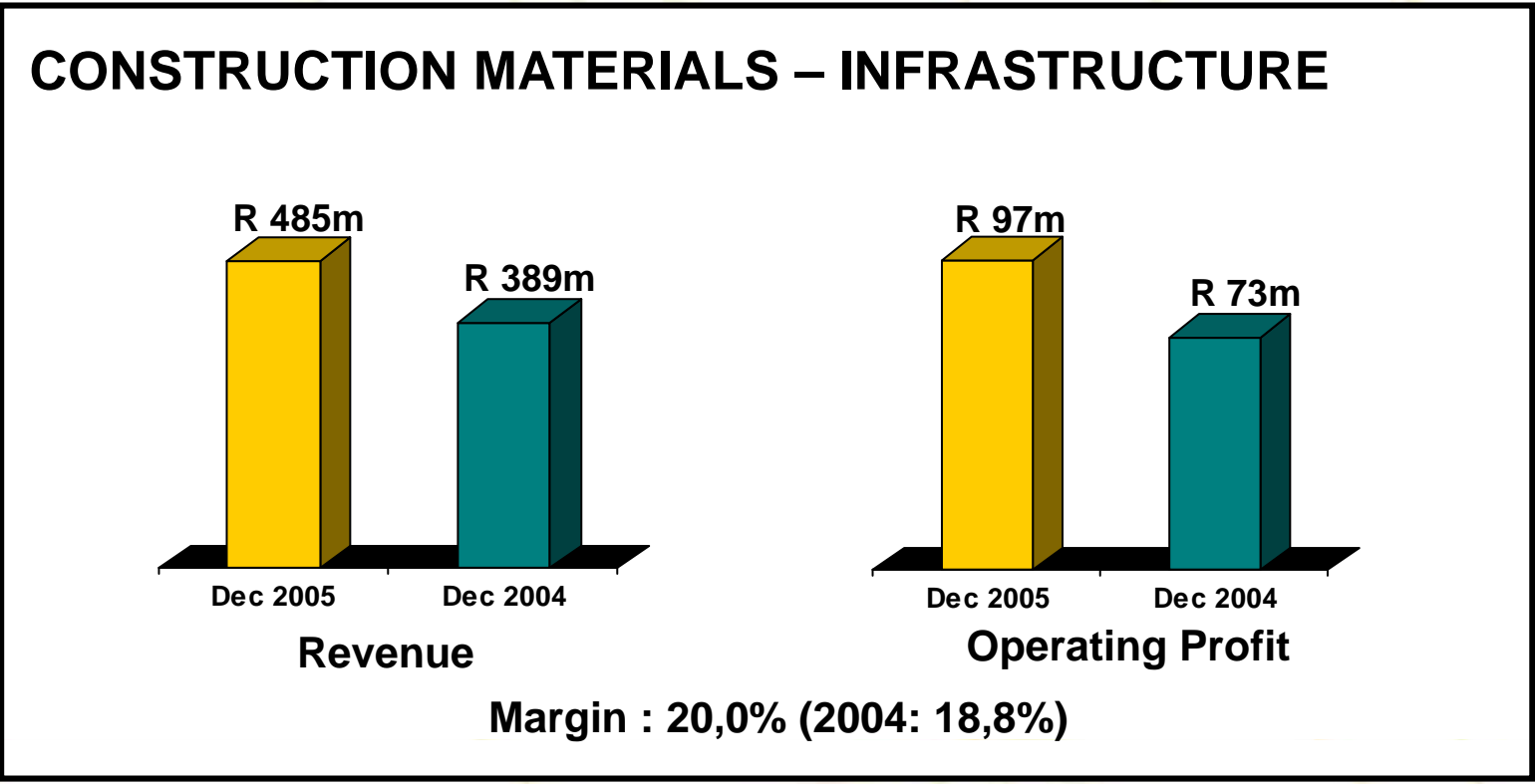
Half Year to 31 December 2005





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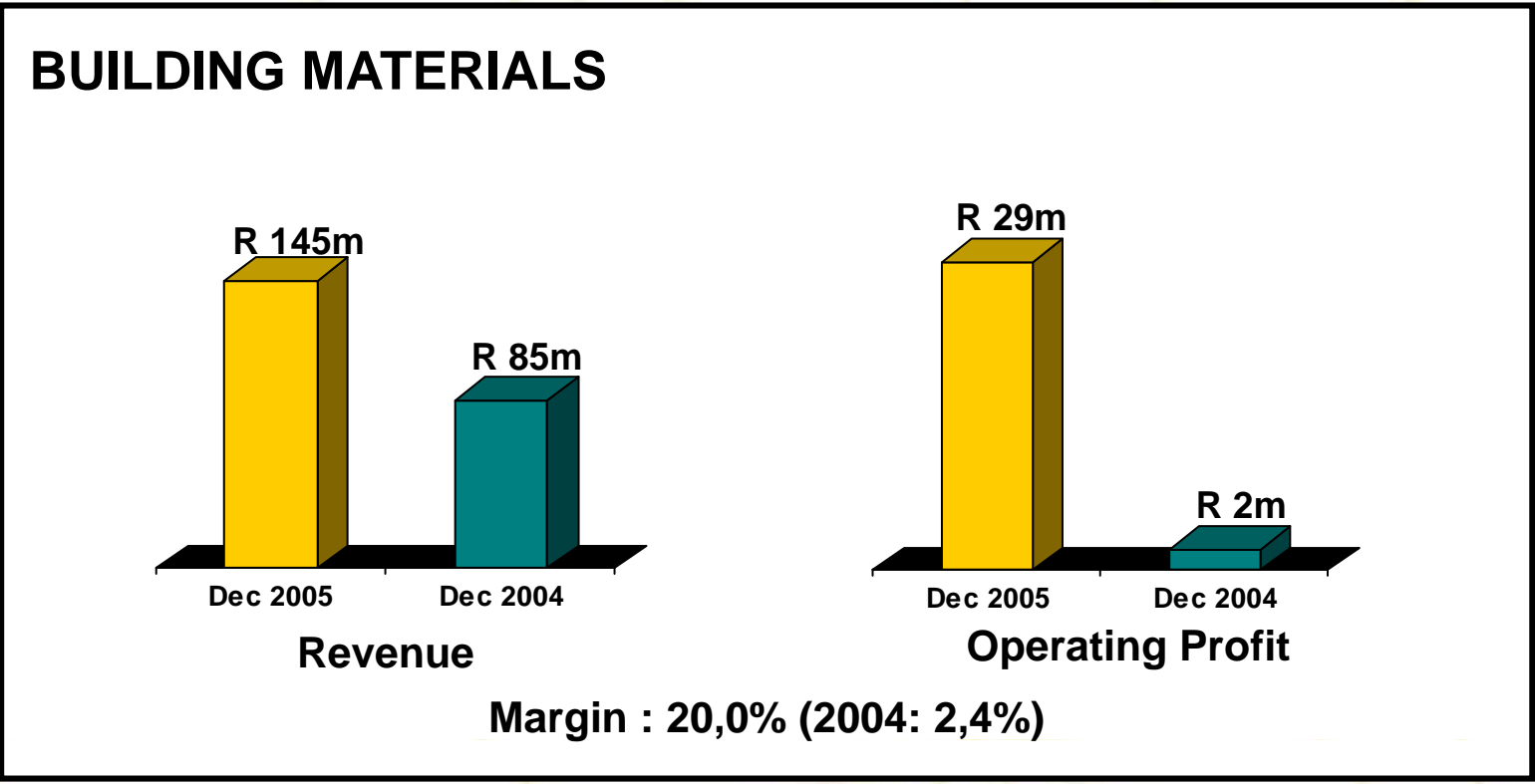
Half Year to 31 December 2005





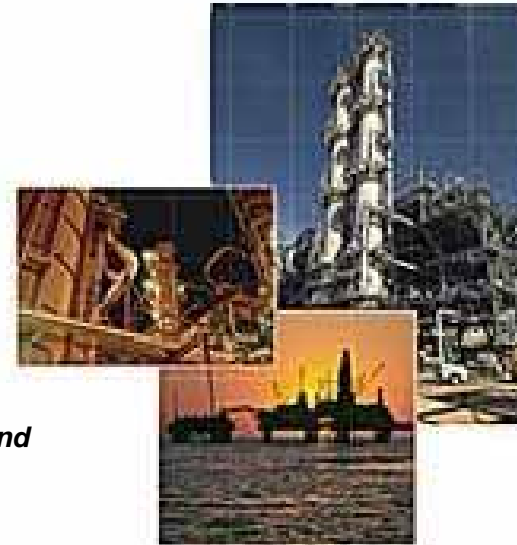
# PERFORMANCE REPORT

Half Year to 31 December 2005



## **CLOUGH LIMITED**

- Shareholding increased to 46,1% in November 2005 for ± R 225 million
- Rights to a further 3% on conversion of a loan facility of AUD 15 million
- Half-year loss of AUD 16 million due primarily to problem India contracts
- Clough Board informs “*Outlook for the 2<sup>nd</sup> half of the financial year is a significant improvement to that recorded thus far*”



**The Group will raise its shareholding above 50% once Clough delivers acceptable financial performance estimated mid-2008**





### **ACQUISITIONS**

- 80% of Ocon Brick effective 1 August 2005 for R 96 million
- Increased shareholding in Clough to 46,1% for ± R 225 million

### **PENDING**

- 100% of Concor Limited pending competition approval. Cost of this transaction will be approximately R 330 million

### **DISPOSALS**

- 100% of Criterion to Jay & Jayendra Group in transaction valued at R 92,7 million with R 45 million vendor financing



## **EMPOWERMENT**

- **BBBEE transaction concluded 19 December 2005**
- **Four independent trusts owning 10% of Issued Shares**
- **Almost 14000 employees receive grant of 300 shares**
- **Once off charge of R 95 million to the income statement reducing headline earnings by 23 cents per share**



## AREAS OF FOCUS

- **Problem contracts and leadership in SADC Construction**
- **Historic problem contracts in Clough**
- **Human Capital constraints in construction industry**



## AREAS OF FOCUS

- Five fatalities were recorded in the half year to 31 December 2005 on work sites under our control.

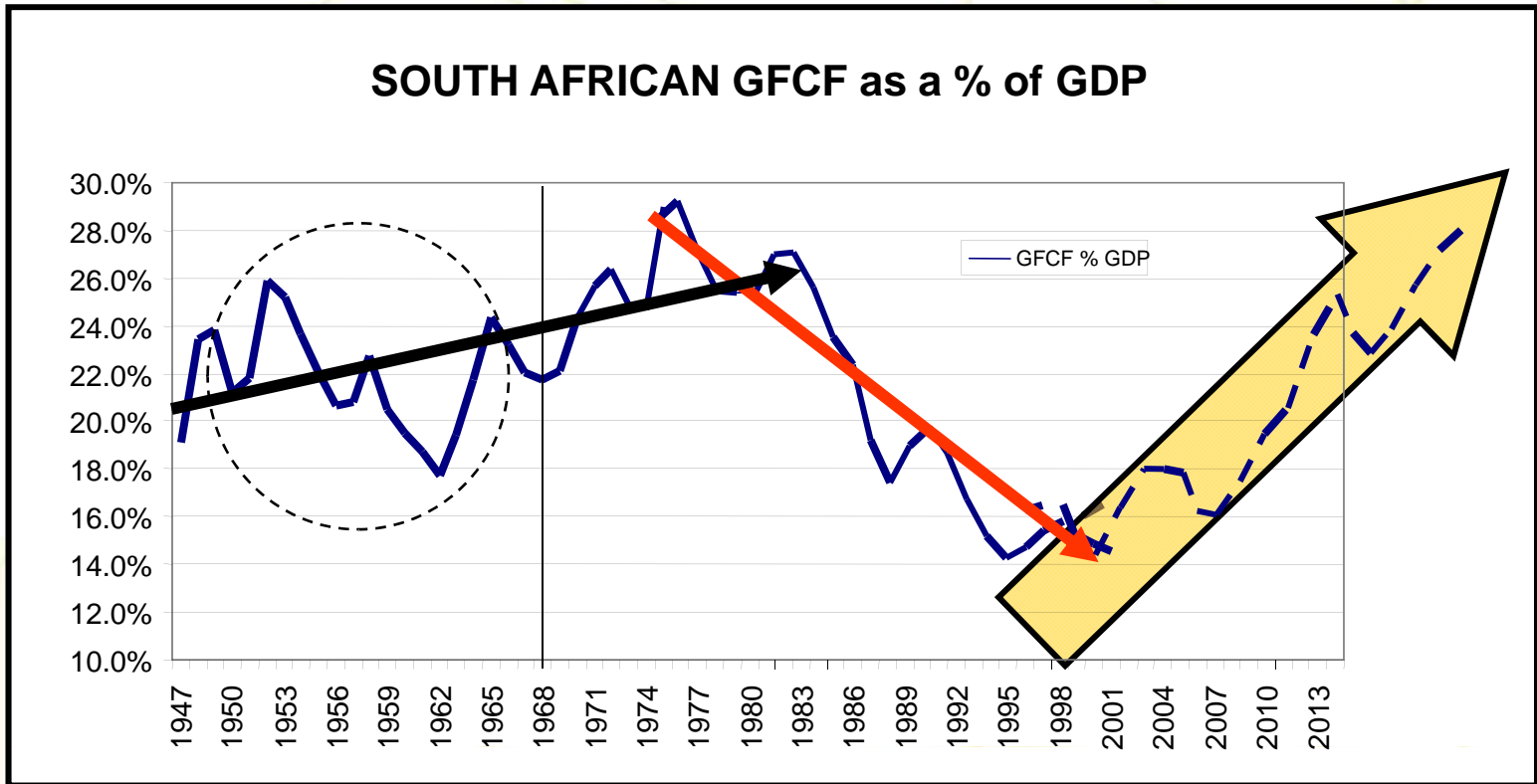
Operation	Fatalities	
	Employees	Sub-contractors
Construction SADC	1	2+1*
Mining Contracting RSA	2+1*	-
Construction Middle East	-	-
Infrastructure Materials	-	-

- \* Two further fatalities have been recorded since 31 December 2005



# ECONOMIC POTENTIAL

## South African Construction Economy

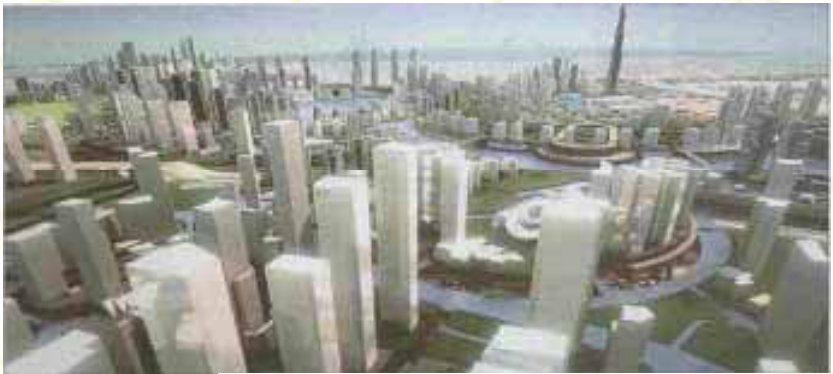




# PERFORMANCE PROSPECTS

## Construction Middle East

**BUSINESS BAY**  
**TOTAL 230 TOWERS**



**DUBAI WORLD**  
**TRADE CENTRE**

**TOTAL 200 TOWERS**

**HOTEL,**  
**OFFICES,**  
**RESIDENTIAL**  
**40 TOWERS**

**JEBEL ALI AIRPORT**

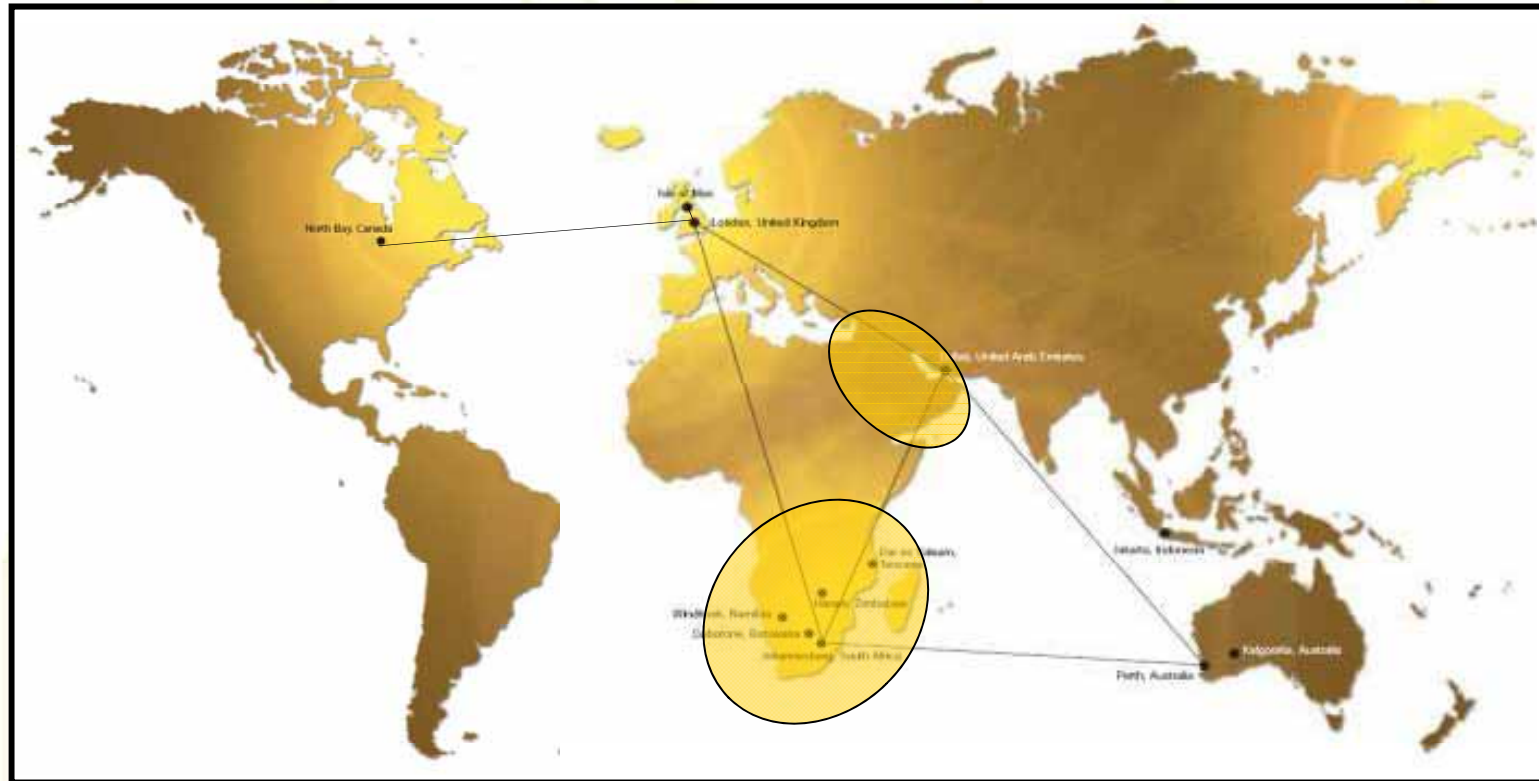


**INTERIM REPORT**  
**FOR THE SIX MONTHS ENDED DECEMBER 2005**



# GLOBAL BUSINESS PLATFORM

## Engineering & Construction



**Globalising Murray & Roberts**

## LOCAL ENGINEERING & CONSTRUCTION



### OCON BRICK

- 80% acquired 1 August 2005
- 350 million bricks per annum
- Building Materials Strategy



### CONCOR LIMITED

- Scheme of Arrangement sanction Feb 2006
- Subject to Competition approval
- Extends domestic market reach
- Maintain identity and empowered

**Concor  
Technicrete  
Ocon Brick**

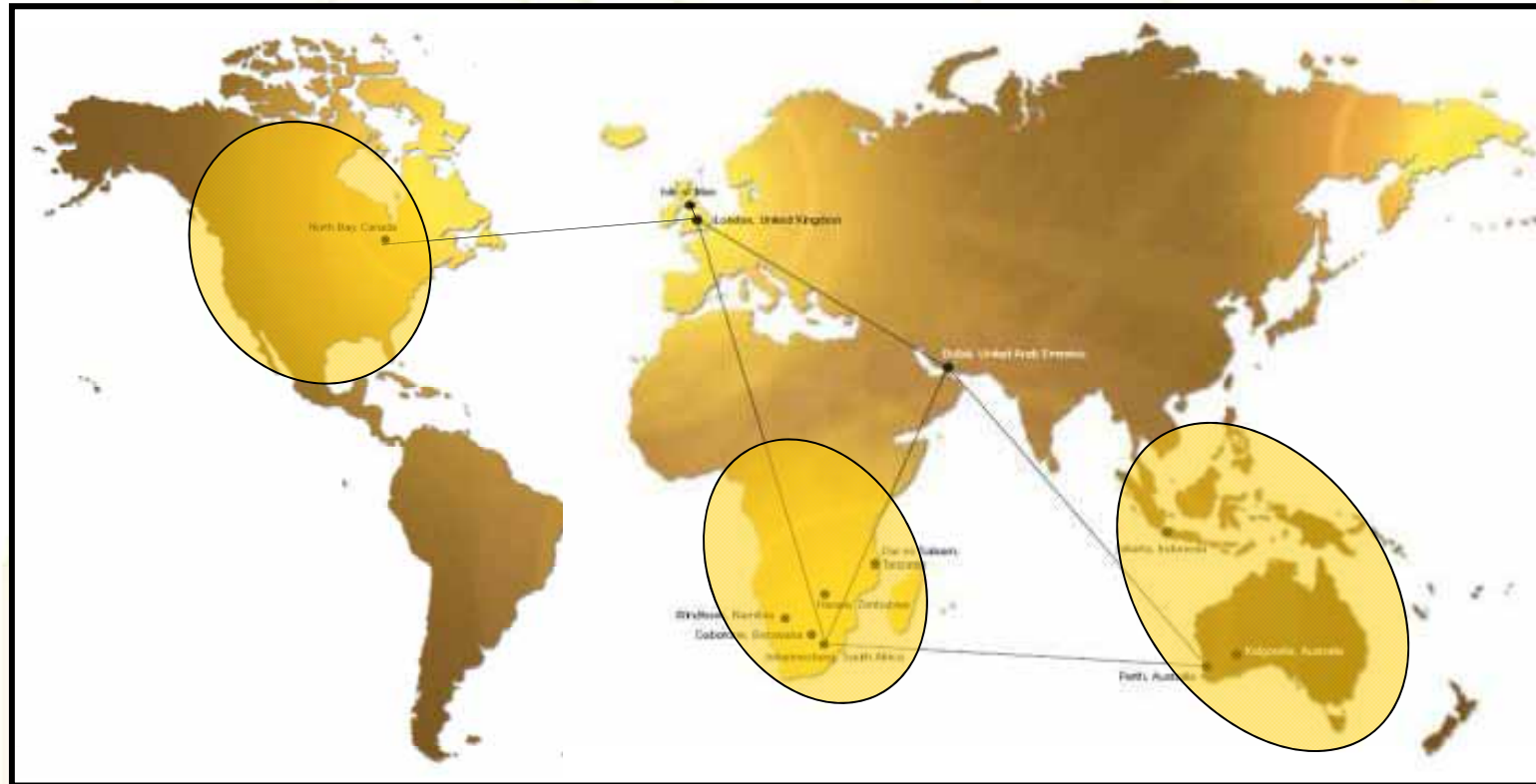






# GLOBAL BUSINESS PLATFORM

## Mining & Minerals



**Globalising Murray & Roberts**



**THE CEMENTATION CO AFRICA LIMITED**

- Acquired 1 July 2004
- De-listed from the JSE Limited
- Merged with Murray & Roberts RUC
- Empowered 1 January 2005 with 20% sold to AKA Capital

**CEMENTATION CANADA INC**

- Murray & Roberts International
- Deepest mine outside RSA

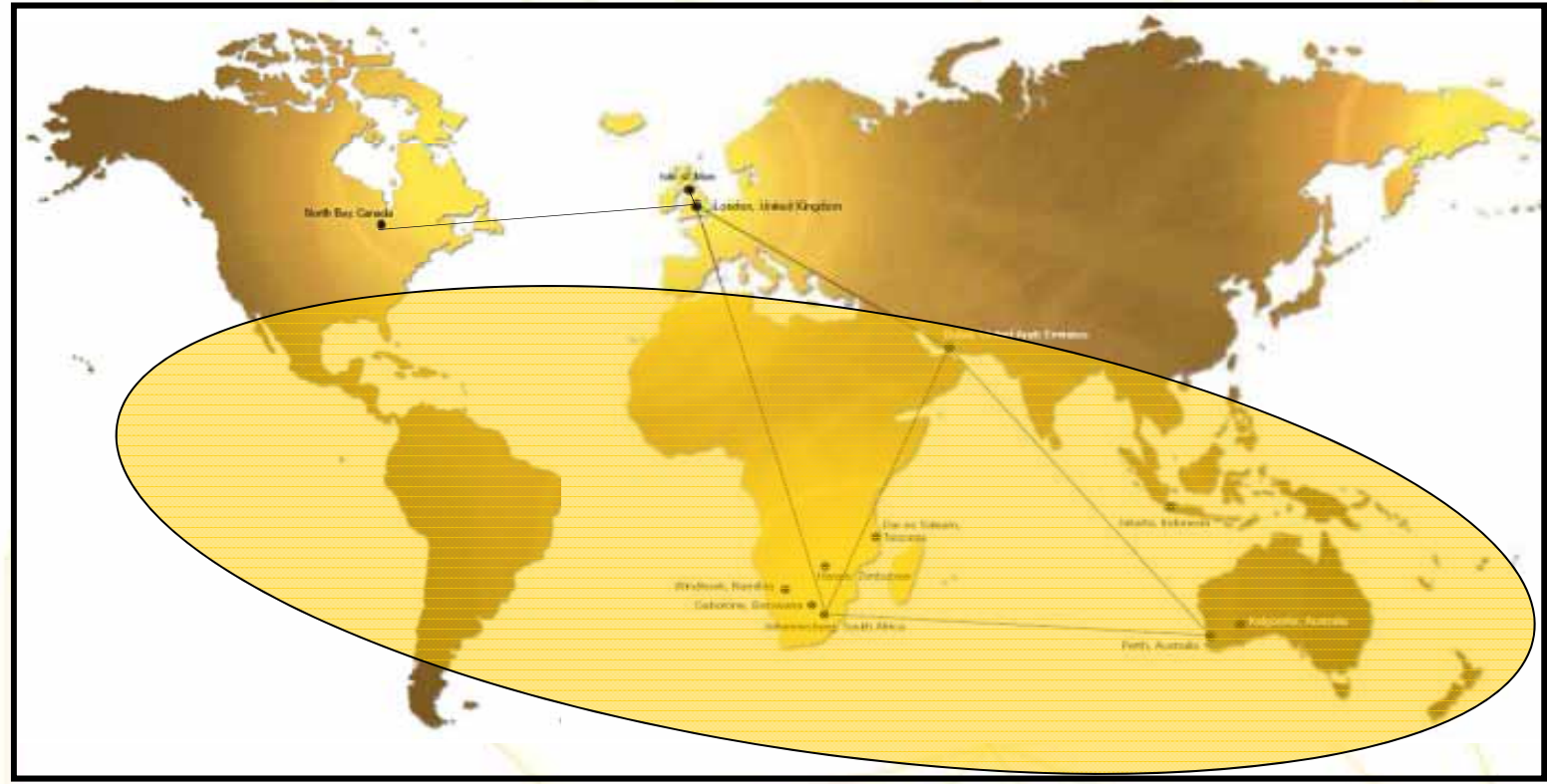
**Murray & Roberts Cementation  
Cementation Canada  
RUC Australia**





# GLOBAL BUSINESS PLATFORM

## Oil & Gas



**Globalising Murray & Roberts**



**CLOUGH LIMITED**

- **Based in Perth West Australia**
- **Similar development history to Murray & Roberts**
- **Petrosea in Jakarta Indonesia**
- **Australia, Indonesia, Thailand, India, Pakistan, Saudi Arabia and Caribbean**
- **29,3% stake & share partnership Nov 2004**
- **Pre-acquisition issue : BassGas Dispute**
- **46,1% + 3,0% in November 2005**

**Clough Oil & Gas  
Clough Murray & Roberts  
Petrosea**



**ORDER BOOK**



**Project Description** : 1st Rapid Rail system initiative on the African Continent.  
Distance 80km as intermodal transport system incorporating Park & Ride and bus facilities.  
4<sup>th</sup> largest construction project globally

**Location** : Intercity link JHB International, JHB CBD & Tshwane CBD

**Total Value** : R 4.5 bn over 54 months

**Completion** : 2010

**Partners** : Bombardier, Bouygues, SPG

**Murray & Roberts** : 25% Concession : 45% Construction : 27% Operations



**Project Description** : Phase 1 scoping exercise.  
Phase 2 demonstration project (full scale single unit reactor)

**Location** : Koeberg, Cape Town

**Total Value** : US\$ 2.2 bn

**Completion** : Phase 1 : November 2005 ; Phase 2 : 2012

**Partner** : SNC Lavalin

**Murray & Roberts** : 50%



## ORDER BOOK



Project Description : Locomotives to be supplied against performance specification to Spoornet  
Location : Ermelo / Richards Bay network  
Total Value : R 3,5 bn over 5 years  
Completion : 2011  
Partners : Mitsui and Toshiba  
Murray & Roberts : 70% of 50% through The UCW Partnership



Project Description : Water transfer scheme from the Vaal Dam and pumping via Knoppiesfontein to Bosjiespruit near Secunda  
Location : Secunda  
Total Value : R 1,5 bn over 24 months  
Completion : July 2007  
JV Partner : Group 5, WK Construction, J&J Group  
Murray & Roberts : 40% Construction and 50% Pipe Supply



## ORDER BOOK



Project Description : Mixed use development of 145 000m<sup>2</sup>, comprising of apartments/parkade, retail, cinemas, hotel & offices.  
Location : Bedfordview  
Total Value : US\$ 93 m  
Completion : July 2007  
Murray & Roberts : 100%



Project Description : Task 1 – Develop process maps, review life cycle models and perform gap analysis.  
Task 2 – Analyse & review systems, provide proposals for implementation. This process has scope to extend to Task 3 which will be the return to service of Eskom power stations  
Location : South Africa  
Total Value : Multi-billion Rand program  
Completion : end March 2006 for Task 1 & 2







# PERFORMANCE REPORT

## Half Year to 31 December 2005

### ORDER BOOK

 <p><b>DURRAT BRIDGES</b></p>	<p>Project Description : 13 Bridges totalling 3.5 km          Location : Bahrain          Total Value : US\$ 54 m          Completion date : January 2008          Partner : NASS          Murray &amp; Roberts : 50%</p>
 <p><b>GOLDCREST VIEWS</b></p>	<p>Project Description : 40 storey Residential Tower. Floor Area : 74 000 m<sup>2</sup>          Location : Dubai – U.A.E.          Total Value : US\$ 50 m          Completion : January 2007          Partner : Al Habtoor          Murray &amp; Roberts : 50%</p>





## ORDER BOOK



Project Description : Fit-out of Concourse 2, Terminal 3 and Car Park. Building Area : 1.8million m<sup>2</sup>  
Location : Dubai  
Total Value : US\$ 1 bn  
Completion date : June 2007  
Partners : Al Habtoor and Takenaka  
Murray & Roberts : 40%



Project Description : Fit-out of 95 Luxury Apartments & 162 Suites  
Location : Dubai - UAE  
Total Value : US\$ 38 m  
Completion date : March 2006  
Partners : Al Habtoor Engineering  
Murray & Roberts : 50%



## **RISK MANAGEMENT**

### **GROUP RISK FRAMEWORK**

- **Managing the Risk Appetite of the Organisation and Leadership**

### **OPPORTUNITY MANAGEMENT SYSTEM**

- **Filtering Risk before it enters the Organisation**

### **INTERNATIONAL ADVISORY BOARD**

- **Bringing Global Leadership to the Organisation**

### **HEALTH, SAFETY AND THE ENVIRONMENT**

- **Changing the Culture of the Organisation its People and Partners**



**STOP! THINK Safety Awareness Campaign**

- **Zero harm consequence from our activities on**
  - our company, clients and business partners;
  - all people; and
  - the environment.
- **STOP! THINK Campaign roll-out commences March 2006**
- **New communication tools**
  - Internal Communications
  - Safety sign language
  - Uniforms
  - Bill of Rights to empower for safety



**PROSPECTS STATEMENT**

**A new performance platform has been established over the past five years Rebuilding Murray & Roberts.**

**Excluding the BBBEE charge of R 95 million to the income statement, headline earnings per share should show real growth for the full year to 30 June 2006 over the IFRS restated comparative of 145 cps.**



# “STOP! THINK”... SAFETY FIRST



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