



INTERIM REPORT

For the half-year to 31 December 2004

Globalising Murray & Roberts





PROSPECTS STATEMENT

ANNUAL REPORT 2004

Earnings for the year to 30 June 2005 will not show a material change while the Group reorganises itself to meet the objectives of
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PERFORMANCE REPORT

INTERIM REPORT 2005

The acquisition of Cementation.....and a strategic shareholding in Clough as well as the disposal of the Group's.....shareholding in Unitrans have demanded significant executive time throughout the reporting period

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PERFORMANCE REPORT

Six months to 31 December 2004

ACQUISITION - Cementation

- Effective 1 July 2004
 - Cementation Africa R 152 million at 1,6 NAV
 - Cementation Canada R 55 million at 1,0 NAV
- South Africa Minorities
 - Ordinary shares 3,8% outstanding
 - Preference shares 36,6% outstanding
- Due Diligence Schedule Liquidated or provided

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MURRAY & ROBERTS CEMENTATION



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PERFORMANCE REPORT

Six months to 31 December 2004

ACQUISITION - Cementation

- | | |
|-------------------------------|-------------------|
| • Integration & Consolidation | Sean Flanagan |
| – 13000 employees | + 100% |
| – R 1,15 billion payroll | + 40% |
| • Global Raisebore Assets | Retained in Group |
| • Mining Charter | 25% empowerment |
| • Cementation Canada | via London Office |

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PERFORMANCE REPORT

Six months to 31 December 2004

ACQUISITION - Clough Limited

- Purchase of Shares
 - 21 million shares November 2003 R 56 million
 - 120 million shares November 2004 R 380 million
 - 60 million shares purchased from Clough Family
 - 60 million shares issued by Clough Limited
- Rights to control without risk of takeover
 - 105 million shares at 15 million shares per six months (3,5 yrs)

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PERFORMANCE REPORT

Six months to 31 December 2004

ACQUISITION - Clough Limited

- Subscription and Shareholder Agreements
 - Appointment of Directors Bruce and Jorek
 - Shareholder Partnership Clough Family
 - Operating Joint Venture Roland Berndt
- Due Diligence Findings
 - New Leadership David Singleton
 - BassGas Project Pre-acquisition

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PERFORMANCE REPORT

Six months to 31 December 2004

DISPOSAL - Unitrans Limited

- Shareholder Agreement June 2000
 - Pre-emptive rights with Steinhoff
- Sale Agreement August 2004
 - SRP Code Rule 19 challenge
 - Transaction at 2732 cps *cum* dividend
- Sale Effective 31 December 2004
 - R 935 million at R 211 million profit





PERFORMANCE REPORT

Six months to 31 December 2004

DISPOSAL & CLOSURE

- Booker Tate
 - Pension Fund deficit R 28 million
- Pefco and Improvair
 - Net profit on sale R 2 million
- Consani Engineering
 - Decision to liquidate
 - Impairment of R 127 million

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PERFORMANCE REPORT

Six months to 31 December 2004

DIRECTOR APPOINTMENTS

- Independent Non Executive
 - Michael McMahon & Namane Magau
 - Imogen Mkhize & Royden Vice
- Executive Directors
 - Norbert Jorek & Sean Flanagan
- Executive Committee
 - Craig Lawrence, Malose Chaba & Sandi Linford

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PERFORMANCE REPORT

Six months to 31 December 2004

MAJOR PROJECTS

- Current

- | | |
|-----------------------------|----------------------------|
| – N4 Toll Road South Africa | Completion & Final Account |
| – Dubai Airport UAE | Setup, Systems & People |

- Pending

- | | |
|-------------------------|-----------------------------|
| – Gautrain South Africa | Preferred Bidder April 2005 |
| – PBMR South Africa | Selected Partner March 2005 |

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PERFORMANCE REPORT

INTERIM REPORT 2005

Order book and revenue have improved significantly on the previous year, but the legacy of poor project performance and ongoing strengthening of the SA Rand continue to impact the Group.

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PERFORMANCE REPORT

Six months to 31 December 2004

ORDER BOOK - 75% to 125% of Revenue

- | | | |
|-----------------------|----------------------|--------------------|
| • 30 June 2004 | R 3,1 billion | |
| • 1 July 2004 | R 5,0 billion | incl Cementation |
| • 30 September 2004 | R 6,0 billion | |
| • 31 December 2004 | R 8,5 billion | incl Dubai Airport |
| – 2006 financial year | R 3,5 billion | |
| – 2007 financial year | R 2,3 billion | |

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PERFORMANCE REPORT

Six months to 31 December 2004

ORDER BOOK - R 8,50 billion + 70%

• Construction SADC	R 1,75 billion	+ R 200 million
• Construction ME	R 3,15 billion	+ R 2,4 billion
• Mining Contracting	R 3,15 billion	+ R 750 million
• Engineering	R 0,45 billion	+ R 150 million
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• Oil & Gas EPC*	R 4,50 billion	+ R 3,0 billion

*Clough Limited

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PERFORMANCE REPORT

Six months to 31 December 2004

ORDER BOOK - R 8,50 billion + 70%

• Southern Africa	R 4,50 billion	+ 25%
• Middle East	R 3,15 billion	+ 325%
• Rest of World	R 0,85 billion	+ 42%
– Canada	R 750 million	
– Southeast Asia	R 100 million	
<hr/>		
• Australasia & India*	R 4,50 billion	+ 200%

*Clough Limited

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PERFORMANCE REPORT



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PERFORMANCE REPORT

Six months to 31 December 2004

REVENUE - R 5,40 billion

+ 29%

- **Construction & Engineering**

- E&C Contracting **R 1,95 billion** + R 150 million
- Mining Contracting **R 1,30 billion** + R 995 million

- **Materials & Services** **R 1,55 billion** + R 120 million

- **Fabricate & Manufacture**

- Ongoing **R 425 million** + R 110 million
- Discontinued **R 175 million** - R 175 million

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PERFORMANCE REPORT

Six months to 31 December 2004

REVENUE - R 5,40 billion

+ 29%

• Southern Africa	R 4,40 billion	+ 25%
– South Africa	R 4,00 billion	
– Rest of Africa	R 400 million	
• Middle East	R 0,55 billion	+ 33%
• Rest of World	R 0,45 billion	+ 275%
– Canada	R 300 million	
– Southeast Asia	R 100 million	

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PERFORMANCE REPORT

Six months to 31 December 2004

INTERIM REPORT 2005

• Operating Profit (EBIT)	R 203 million	+ R 16 m
– Interest	R (9) million	- R 24 m
– Taxation (excl CGT)	R (43) million	- R 13 m
– Associates/Minorities	R 59 million	+ R 5 m
	<hr/>	
• Headline Earnings	R 210 million	- R 24 m
	65 cps	- 7 cps

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PERFORMANCE REPORT

Six months to 31 December 2004

OPERATING PROFIT

+ 9%

• Operating Profit (EBIT)	R 203 million	+ R 16 m
– Construction & Engineering	R 68 million	- R 10 m
– Materials & Services	R 147 million	+ R 12 m
– Fabrication & Manufacture	R 43 million	+ R 14 m
– Corporate	R (50) million	- R 3 m
– Discontinued	R (5) million	+ R 3 m

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PERFORMANCE REPORT

Six months to 31 December 2004

FINANCING

+ 160%

- **Working Capital Increase** **R 362 million** **+ 190%**
 - Contract Debtors
 - Problem Contracts
 - Stock purchases
- **Planned to be worked back to cash by 30 June 2005**

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PERFORMANCE REPORT

Six months to 31 December 2004

FINANCING

+ 160%

• Net Investment Activity	R 618 million	+ 660%
– Businesses & Investments	R 550 million	
– Fixed Assets (net)	R 102 million	
– Dividends Received	R (34) million	
• Post Balance Sheet Receipt	R 900 million	Unitrans

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PERFORMANCE REPORT

Six months to 31 December 2004

TAXATION

+ 100%

• Total	R 60 million	+ R 30 million
– Normal	R 43 million	+ R 13 million
– Deferred Asset		
– Capital Gains	R 17 million	+ R 17 million

• **Deferred tax asset in second half-year 2004**

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PERFORMANCE REPORT

Six months to 31 December 2004

SHAREHOLDERS EQUITY

+ 3%

• 30 June 2004	R 2,61 billion
– Attributable Earnings	R 244 million
– Net Movements	R (61) million
– Dividends & Minorities	R (113) million
• 31 December 2004	R 2,68 billion

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PERFORMANCE REPORT

Year to 30 June 2005

ANNUAL REPORT 2004

- **Headline Earnings per Share**

– <i>Pro forma</i> Income Statement		143 cps
• Unitrans for half year	10 cps	
• Taxation at 29% vs 6%	(30) cps	(20) cps
– <i>Benchmark</i> Income Statement		123 cps

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CONSTRUCTION MATERIALS



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PERFORMANCE OUTLOOK

INTERIM REPORT 2005

Finalisation of Rebuilding Murray & Roberts remains an absolute priority for the Board and executive management of the Group over the months ahead.

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

PROBLEM CONTRACTS

- | | | |
|-------------------|--------------|----------------------|
| • San Stefano | Egypt | Completion June 2005 |
| • Danida Road | Benin | Completion June 2005 |
| • Karonga | Malawi | Final Account |
| • N3 Toll Road | South Africa | Dispute Conciliation |
| • ADNOC HQ | Abu Dhabi | Completion May 2005 |
| • Khalifa Stadium | Qatar | Completion June 2005 |

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SAN STEFANO COMPLEX





PERFORMANCE OUTLOOK

Six months to 30 June 2005

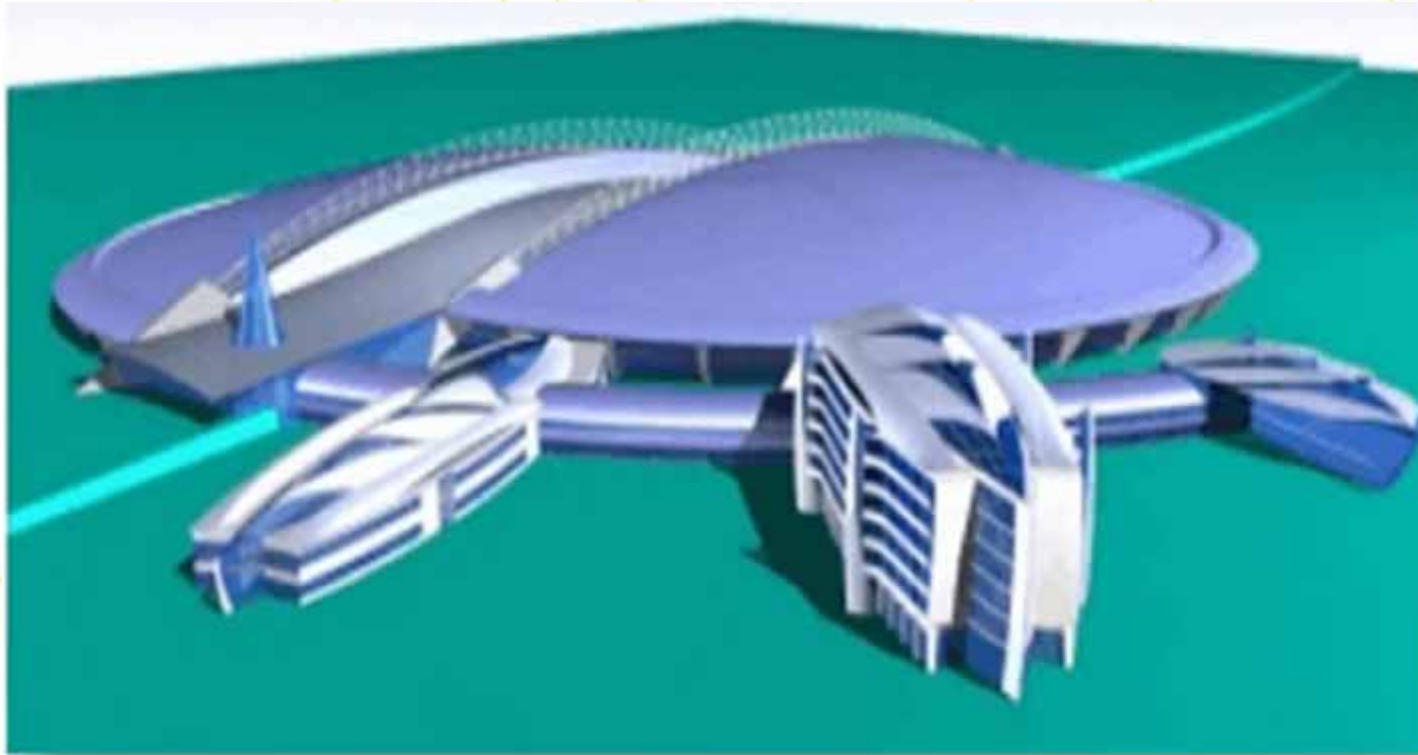
PROBLEM CONTRACTS

- | | | |
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| • Karonga | Malawi | Final Account |
| • N3 Toll Road | South Africa | Dispute Conciliation |
| • ADNOC HQ | Abu Dhabi | Completion May 2005 |
| • Khalifa Stadium | Qatar | Completion June 2005 |

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KHALIFA SPORTS HALL





PERFORMANCE OUTLOOK

Six months to 30 June 2005

OPERATIONS

- Middle East
 - Finalise historic projects portfolio
 - Dubai International Airport
- South Africa
 - Redefine construction value proposition
 - Integration of Cementation
 - Unlock construction materials potential

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

HEALTH SAFETY AND ENVIRONMENT

- Health Safety & Environment
 - Non negotiable elimination of fatality count
 - Focus on occupational and health hazards
- Corporate Citizenship
 - Focus on maths, science and technology education
 - Early childhood development
- Socially Responsibility Index (SRI) of JSE

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

RISK AND INTERNAL CONTROLS

- Group Risk Framework
 - Approved by Board
 - Identifies major Group-level risks
- Internal Controls System
 - Implement procedures for compliance
 - Particular focus on major projects
- Risk Management Capacity

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

COMMERCIAL

- Register of Projects
 - From identification to finalisation
 - Criteria for “Go/no-go” decision at each hurdle point
- Register of External Services
 - Match requirement with competence
 - Ensure learning across all sectors
- Performance Bond and Guarantee Risk Management

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

GOVERNANCE & COMPLIANCE

- Murray & Roberts Holdings
 - Finalise director induction programme
 - Procedure for external advice
- Operating Companies
 - Director training programme
 - Improve statutory structures
- Guideline for Investor and Media Relations

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

MARKET ENGAGEMENT

- Focus on Design Build Opportunities
 - Leverage core competence in Industrial Engineering
- Cooperation for Value
 - Redefine SADC value proposition through empowerment
 - International major projects through world class partners
- Key Client Focus
 - Enhance relationships and reduce risk

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

EMPOWERMENT

- Murray & Roberts Cementation
 - AKA Capital
 - 25% Equity
- Construction Materials
 - Empowerment Consortium
 - 25% Equity
- Development Partnership in Construction

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PERFORMANCE OUTLOOK

Six months to 30 June 2005

CLOUGH OIL & GAS

- Shareholder Partnership
 - Create shareholder value with Clough Family
 - Share acquisition through “creep” provision
- Executive Partnership
 - Support restructuring and new market development
 - Clough Murray & Roberts Joint Venture
- Promote Resolution of BassGas Dispute





PERFORMANCE OUTLOOK

Six months to 30 June 2005

PROSPECTS STATEMENT

“Taking into account the liquidation of Consani, the unexpected reversal on the project in Qatar, the restructuring of aspects of the business in terms of the Group’s empowerment initiatives, the dilutive impact of the Unitrans disposal and an increase in the taxation rate, the directors have concluded that it is prudent to expect headline earnings in the second half of the year to be similar to that recorded in the first half.”

