



## 2007 Interim Report



- This presentation offers no detail on Murray & Roberts
  - Everything is available in the Annual Report or [www.murrob.com](http://www.murrob.com)
- All economic data is available through various public sources
  - Information is used to establish trends rather than provide fact
- Construction is a dog-eat-dog & low-barrier-to-entry industry
  - One of most fragmented of industry sectors
  - JSE listed companies in sector comprise < 25% of E&C market
- Sustainable market conditions is key to performance growth
  - At worst, E&C is a highly inefficient system for delivery of significant economic investment
  - At best, it does this in an orderly, innovative, competent manner



## Energy is a Driver of Opportunity



**Middle East** Investment  
driven by free cash flow  
from oil & gas revenues

Probably > \$40 / barrel

Trump Tower is new  
Iconic Building for Dubai

Emirates Airlines enables  
Dubai Business Model

Airports in Dubai

V&A Waterfront in RSA

**Capacity to Deliver**

**“----- was consolidated into the Group’s accounts from 1 July 2007 and we are pleased to report that the company has delivered its budget performance for the first quarter to 30 September 2007.**

**The new chief executive has set out a clear strategy for the company that primarily serves the Asia-Pacific upstream Oil & Gas market.”**

*Clough share trading above 75 cents on confidence in future potential*



**Capacity to Deliver**



## Energy is a Driver of Opportunity



**Clough** is focused on  
Offshore and Coastal  
Upstream Oil & Gas  
Infrastructure

EPC & Manufacture

Engineering & Services

Australasia & Asia Pacific

Middle East

Africa West Coast

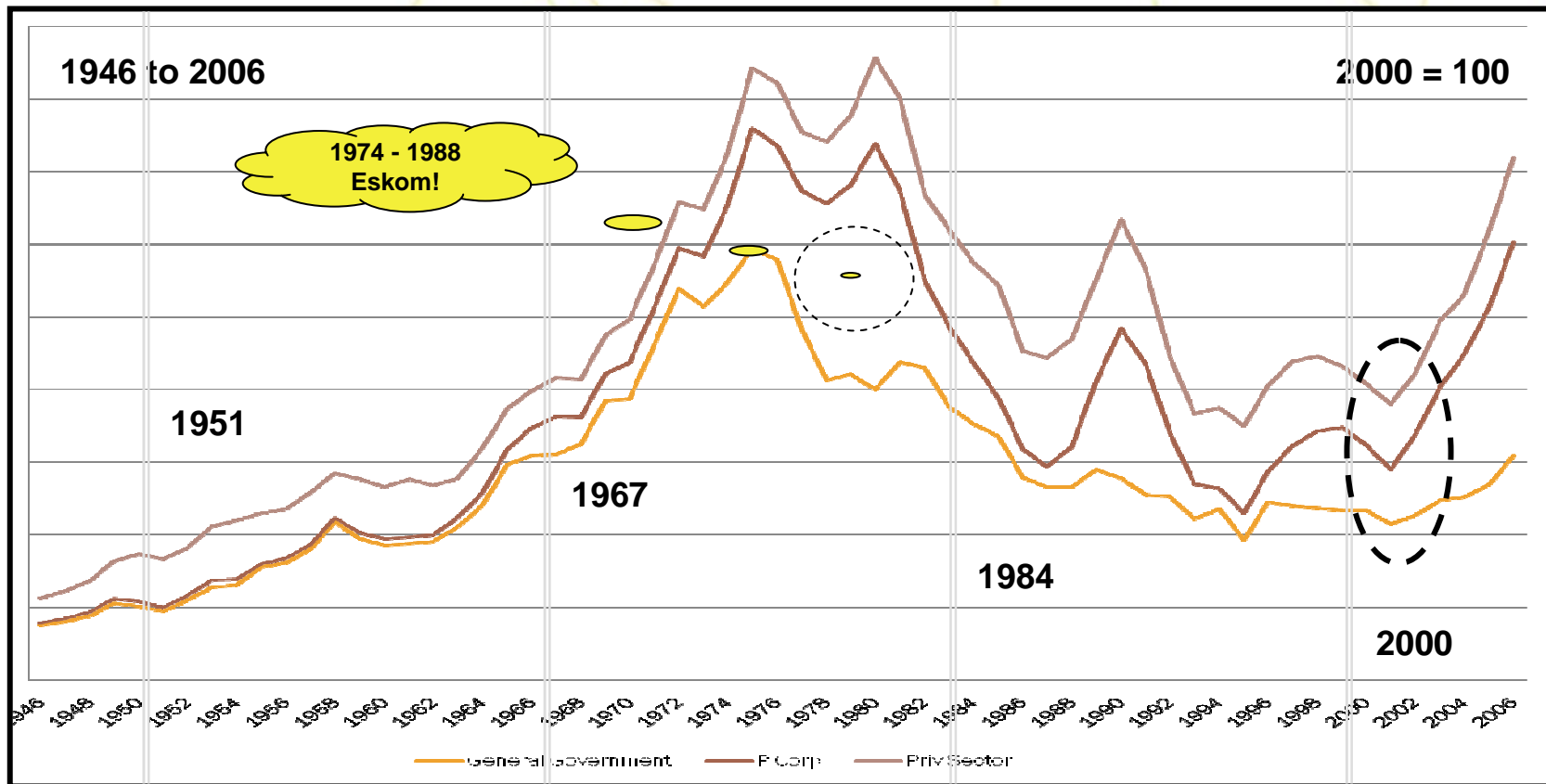
Gulf of Mexico

Murray & Roberts > 60%

**Capacity to Deliver**

# South African Construction Works Investment

OPPORTUNITY TIMELINE



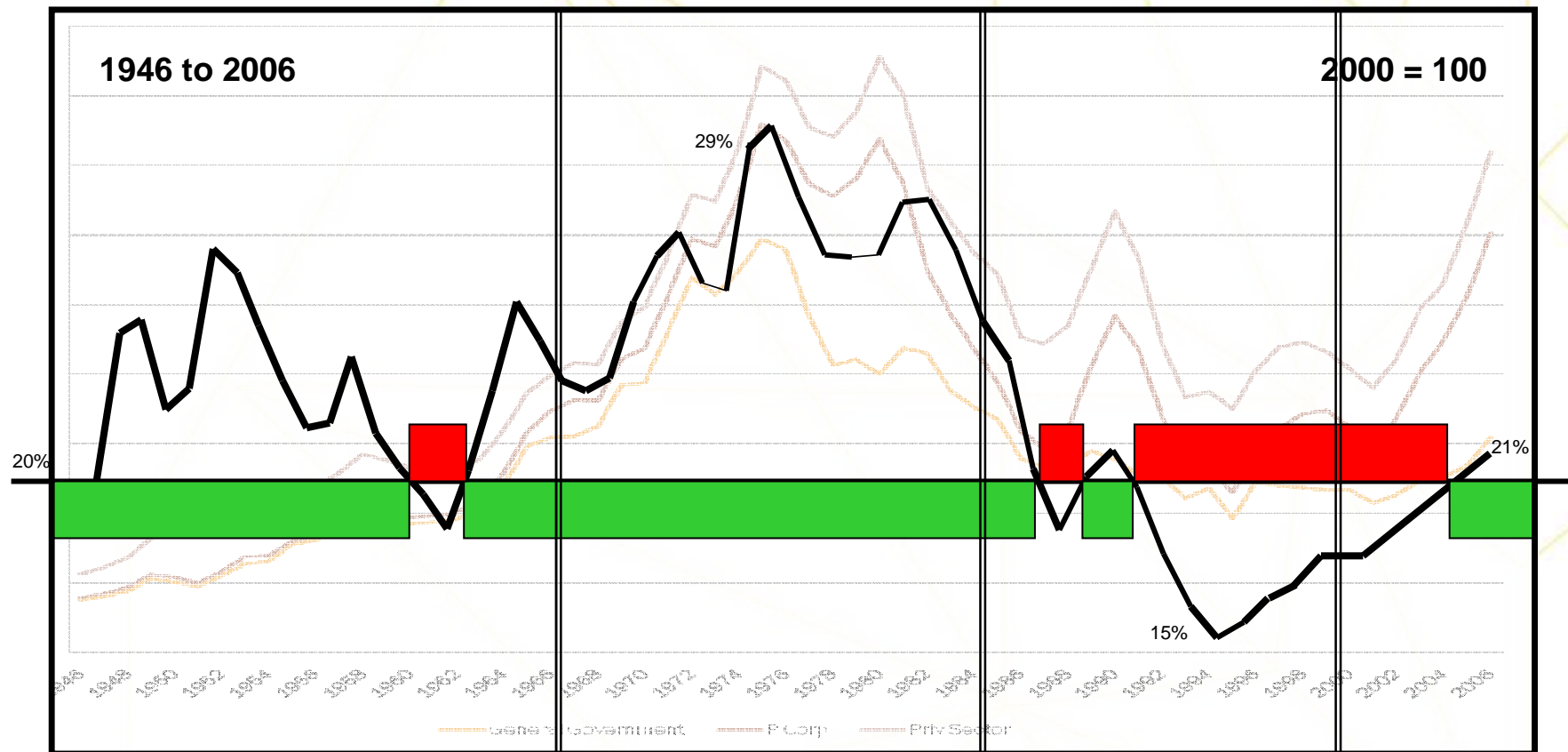
Source: SAFCEC



**Capacity to Deliver**

# South African Construction Economy

## GFCF vs GDP



Source: BER

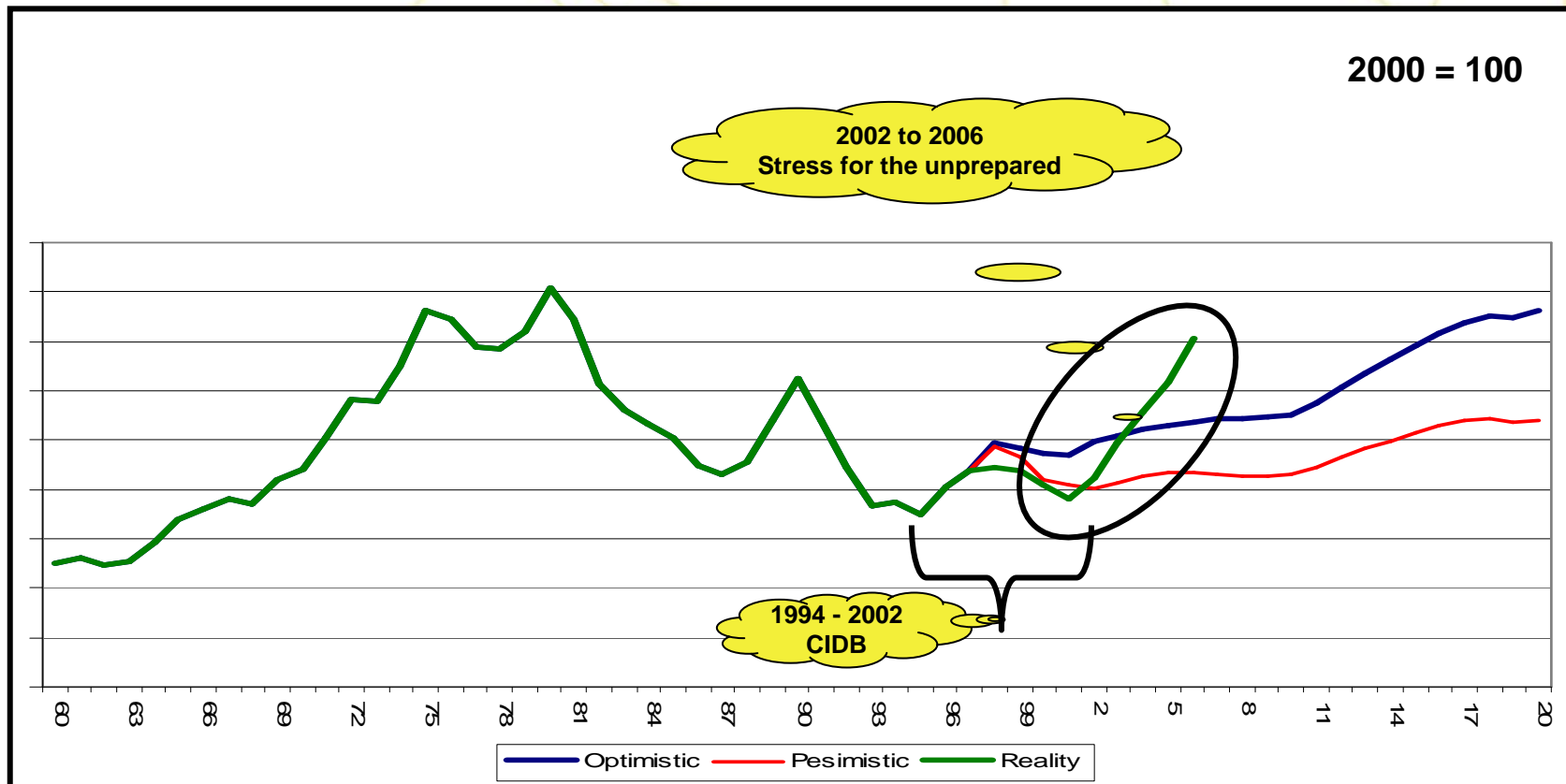


## Capacity to Deliver



# Future Construction Works : 1995 Scenario

ECONOMIST CONSENSUS



Source: SAFCEC

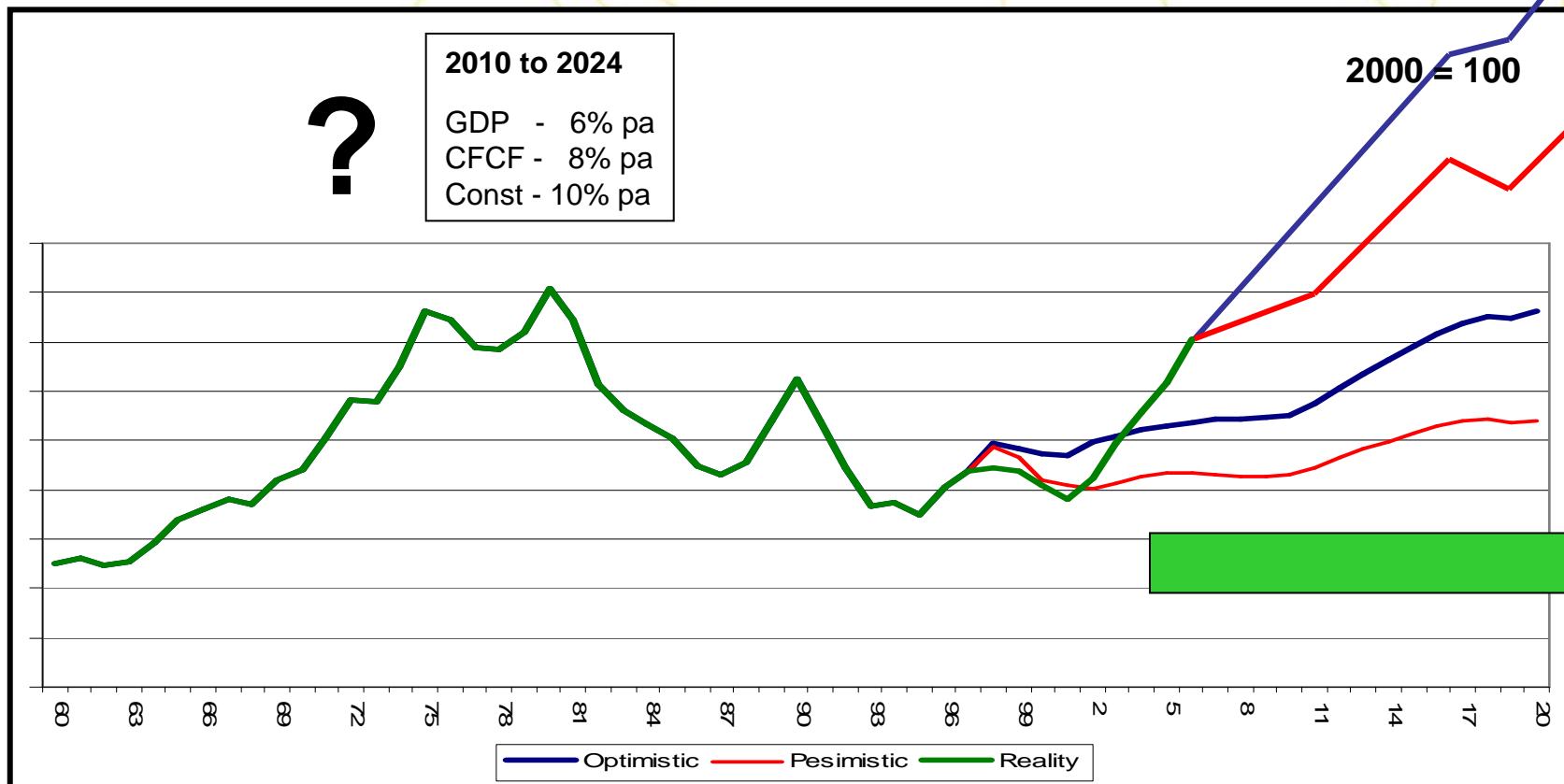


**Capacity to Deliver**



# Future Construction Works : 2006 Scenario

ECONOMIST CONSENSUS



Source: SAFCEC



**Capacity to Deliver**



**105 Years of Experience & Growth**

**Murray & Roberts is South Africa's Leading  
Construction & Engineering Group**

*and has chosen to lead the market with sector guidance*



**Capacity to Deliver**

**“The South African construction economy continues to grow faster than GDP and based on macro-economic commitments**

- **from government through ASGISA,**
- **state enterprise and public sector investment programs, and**
- **the unabated global demand for natural resources,**

**is in our opinion, set to maintain this trend for the foreseeable future.”**

*Growth 15% to 25% nominal for foreseeable future*



**Capacity to Deliver**

## Critical Mass in the Market

RISK RELATIVE TO RATING

Company	Market Capitalisation	P:E
<b>MUR</b>	<b>R 32,0 billion</b>	<b>30,0</b>
<b>AEG</b>	<b>R 26,0 billion</b>	<b>19,5</b>
<b>PPC</b>	<b>R 25,0 billion</b>	<b>18,0</b>
<b>WBO</b>	<b>R 8,5 billion</b>	<b>25,5</b>
<b>GRF</b>	<b>R 7,5 billion</b>	<b>23,0</b>
<b>RBX*</b>	<b>R 6,0 billion</b>	<b>43,0</b>
<b>SFB*</b>	<b>R 4,0 billion</b>	<b>-</b>
<b>BSR</b>	<b>R 3,0 billion</b>	<b>31,0</b>
JSE-ALSI 40		16,0
JSE-CONM		22,0

\* New Listings



## Capacity to Deliver



## Major Projects



## Capacity to Deliver

**“----- was stable at about R 22 billion at 30 September 2007, including AUD 750 million in Clough.**

**The current reservoir of project opportunity registered within the Group’s Opportunity Risk Management pipeline amounts to more than R 85 billion in about 120 projects. This is ample evidence of the forward potential evident in all the Group’s domestic and international markets”**

*Murray & Roberts consuming > R 5,0 billion per quarter*



**Capacity to Deliver**

**“----- work associated with South Africa’s power generation program for which no major contracts have yet been awarded.”**

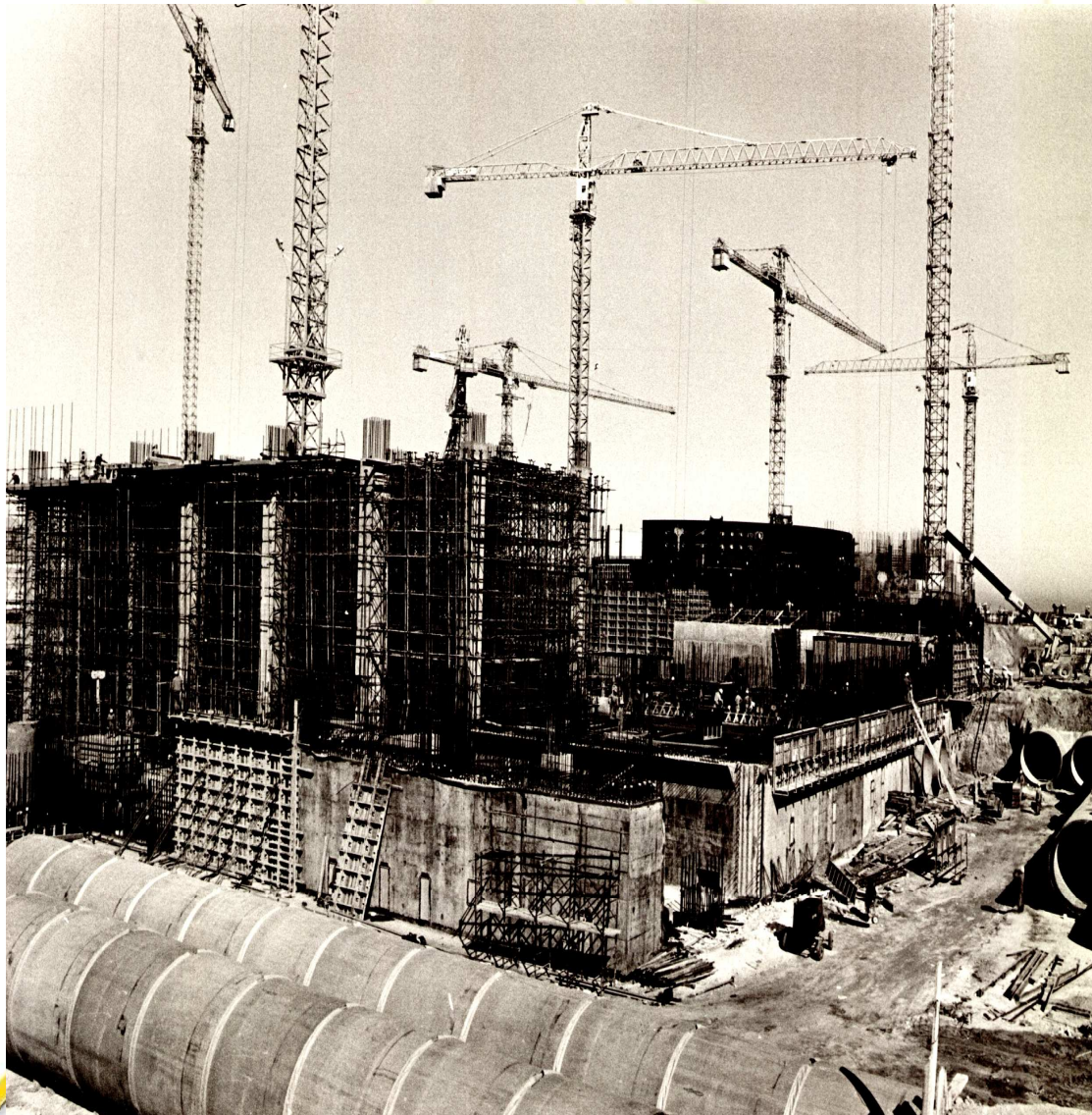
*Power opportunities will be won or lost within November 2007*



**Capacity to Deliver**



## Energy is a Driver of Opportunity



**Thermal Energy** is the backbone of South Africa power generation

**Hydro Energy** is a small peak load choice

**Gas Energy** is the new peak load option

**Combined Cycle** is the private sector input

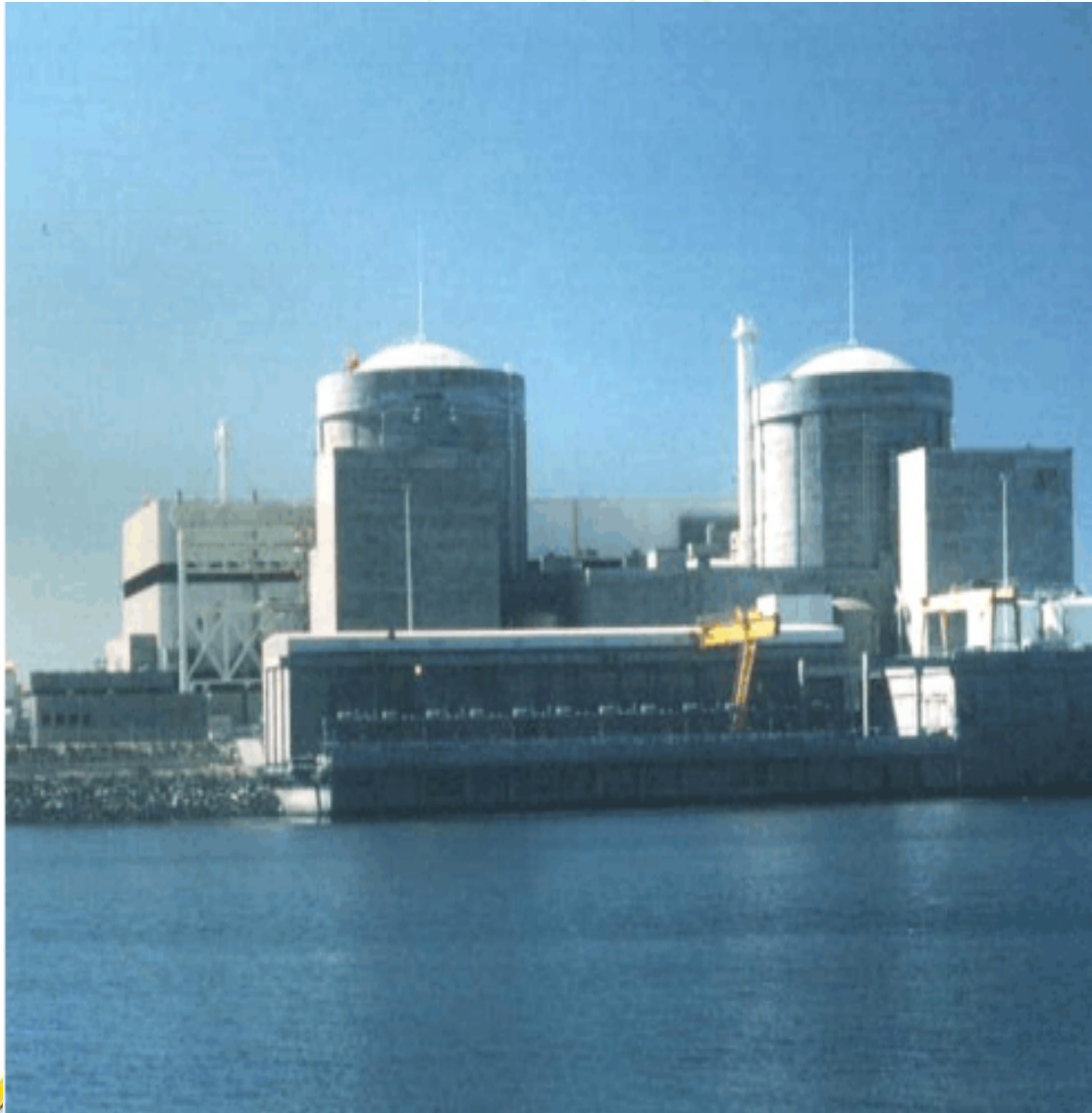
35000 MW installed

20000 MW over 20 years

**Capacity to Deliver**



## Energy is a Driver of Opportunity



**Nuclear Energy** is a primary future source of power in South Africa

20000 MW over 25 years

PBMR @ 165 MW Units

PWR @ 750 MW Units

Requires totally different engineering construction culture & discipline

Safety & Quality priority

**Capacity to Deliver**

## Energy is a Driver of Opportunity



**Cost of Power** in SA will still be most competitive following this investment

Attractive destination for energy intensive assets

Aluminium smelting

Deep level mining and minerals processing

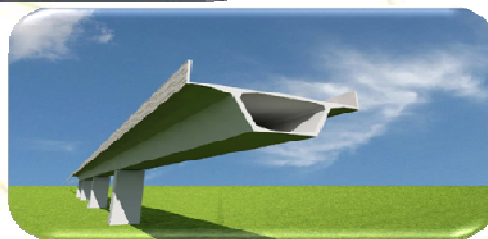
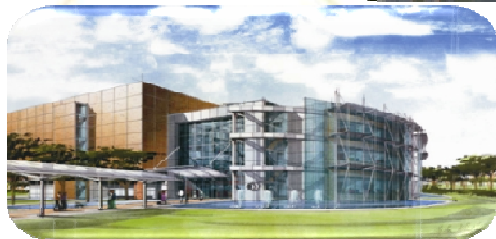
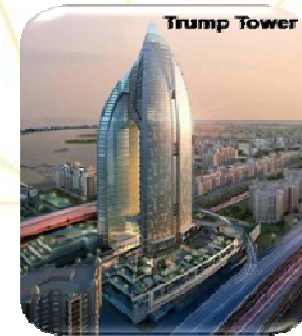
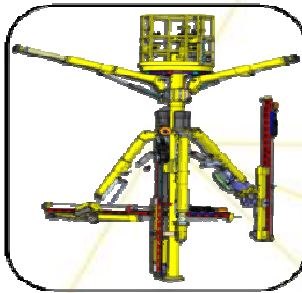
Heavy Industry

BHP Billiton Hillside and Mozal to Alcan Coega

**Capacity to Deliver**



## There are Some Challenges



**Capacity to Deliver**

**“----- now play a key role in the planning, procurement and implementation of capital projects.**

**This challenge is significantly enhanced in South Africa where the Group has a number of initiatives to ensure it remains capable of meeting its contracted and performance commitments as well as engage new opportunity for growth.”**

*Largest and best quality EBE Faculty intake since 1968*



**Capacity to Deliver**



**“----- in most cost inputs into the construction process over the past four years have increased financial risks for clients and contractors alike.**

**While global demand for construction skills and equipment is likely to intensify, we believe that new capacity investments will bring stability to local construction materials prices.”**

*Input cost increases averaged 12,5% p.a. since 2001*



**“----- the increasing costs of transportation logistics between fixed source and variable utilisation will remain unabated until the country's road and rail networks are substantially improved.”**

**[Logistics cost represents between 15% and 35% of revenues]**

*Logistics cost increases averaged 17,5% p.a. since 2001*



**Capacity to Deliver**

**“----- that significant delays are evident in the time taken by most clients to convert feasibility studies into tenders and then tenders into contracts.**

**Many contracts commence with inadequate design information to allow optimum performance.**

**These factors delay the development of order book and potentially increase risks to both clients and contractors.”**

*> 80% of Capital Projects no longer meet Client criteria for success*





## There is Increased Activity

**“----- evident in the Group’s construction materials, and  
fabrication and manufacturing operations,  
while a general slowdown in consumer demand has  
dampened performance in the building materials operations.”**

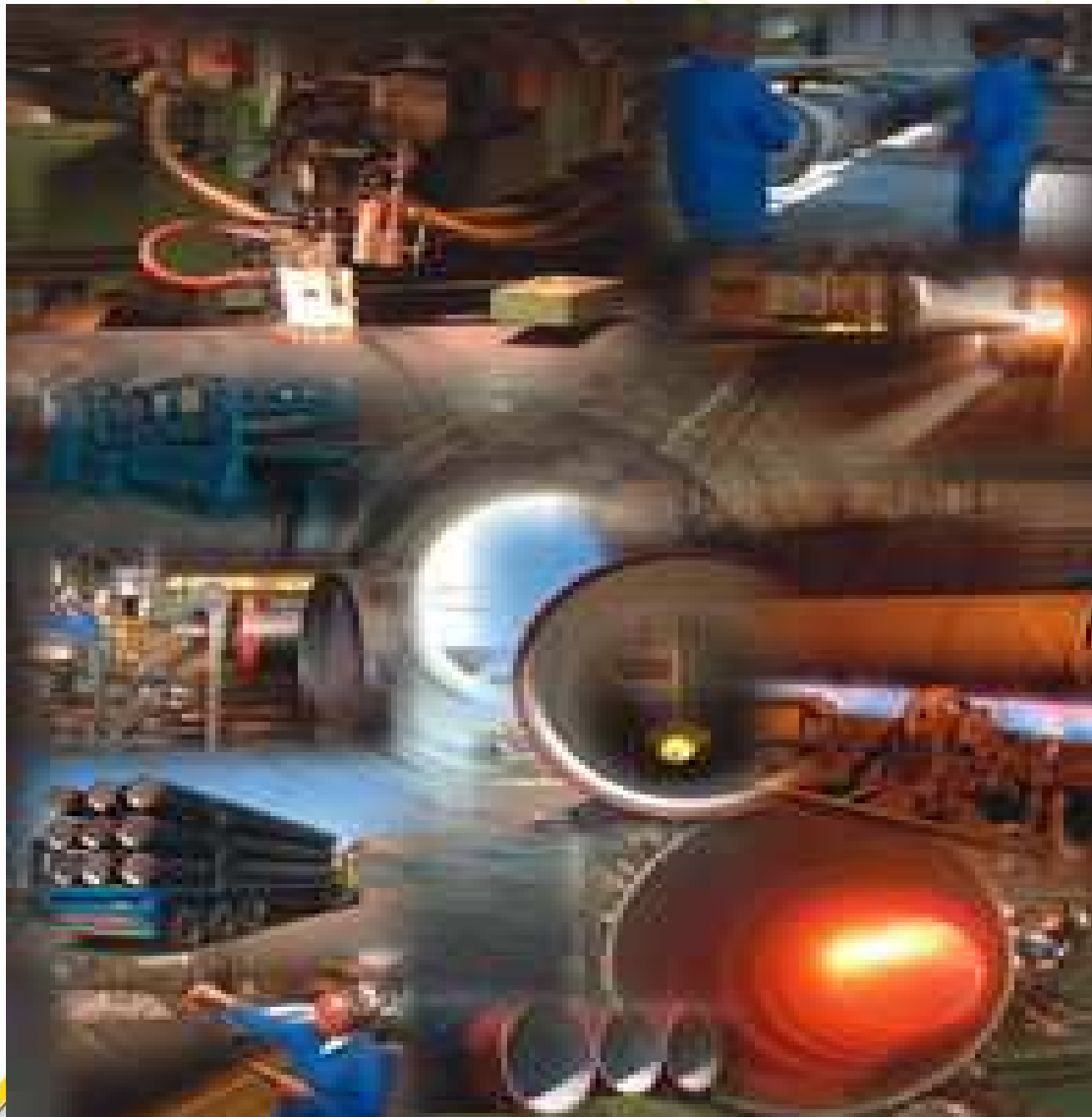
*Significant growth possible in Fabrication & Manufacture*



## Capacity to Deliver



## Energy is a Driver of Opportunity



**The SA Power** Initiative and the Competitive Supplier Development Program (**CSDP**) seek to indigenise the fabrication and manufacture of key systems & components

Better than World Class

Private Public Partnership

Murray & Roberts positioned for key role

**Capacity to Deliver**

**“----- in the Group has continued from the benchmark set through the previous financial year.**

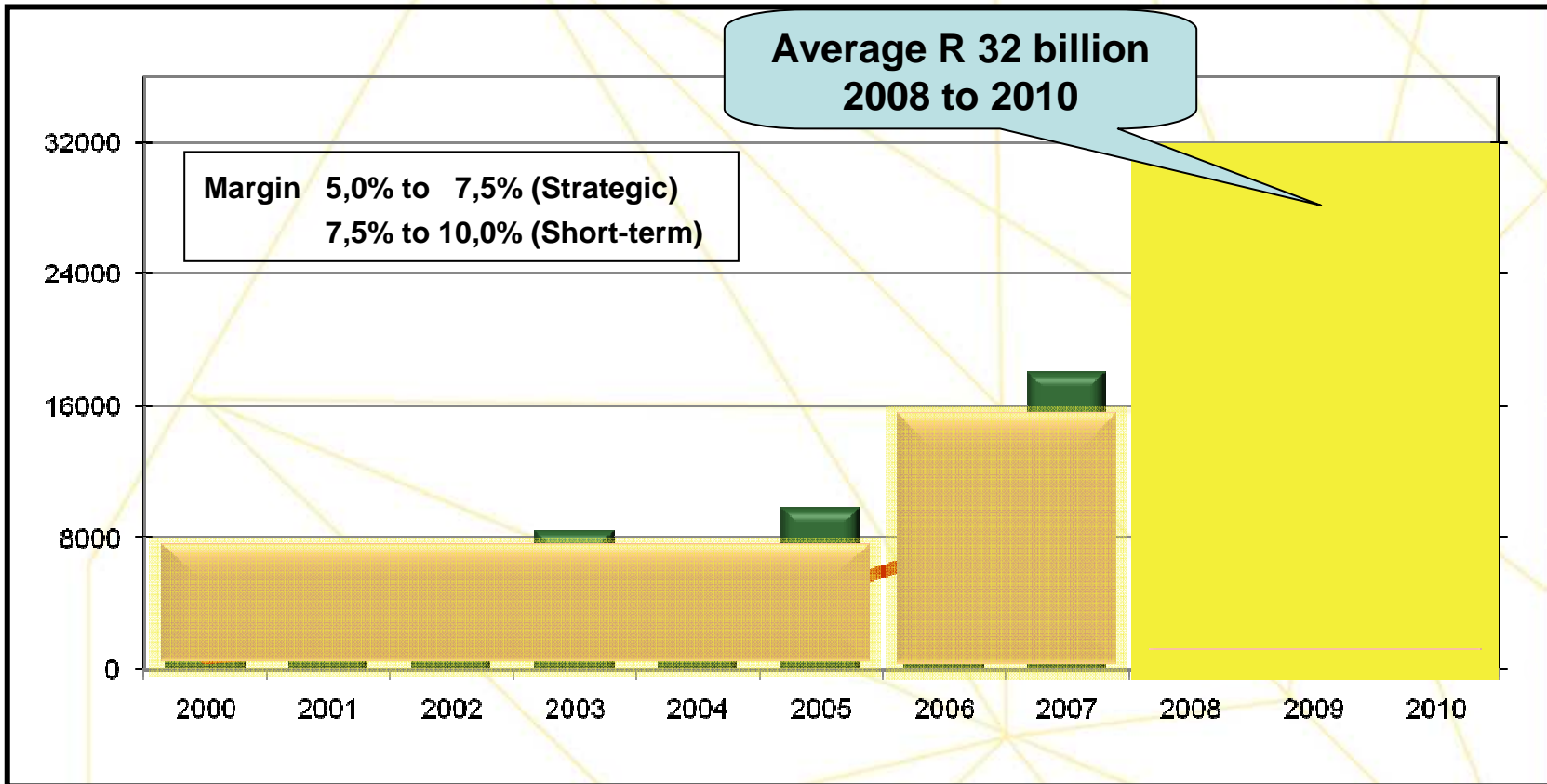
**There is, however, some weakness in the industrial engineering market and the strong SA Rand is impacting the translation of international earnings.”**

*Margin > 7,5% but 2002 to 2003 project feasibilities under pressure*



**Capacity to Deliver**

## Revenue Scenario to 2010



### Clough consolidated but excluding further acquisition



## Capacity to Deliver