



2013 MACQUARIE CONSTRUCTION CONFERENCE

CREATING VALUE THROUGH A NEW STRATEGIC FUTURE

04 June 2013

RECOVERY & GROWTH

**Safety
Performance**

Our Capabilities

**Order Book and
Market Prospects**

**Key Investment
Margins and
Aspirations**

**Return to
Shareholders**

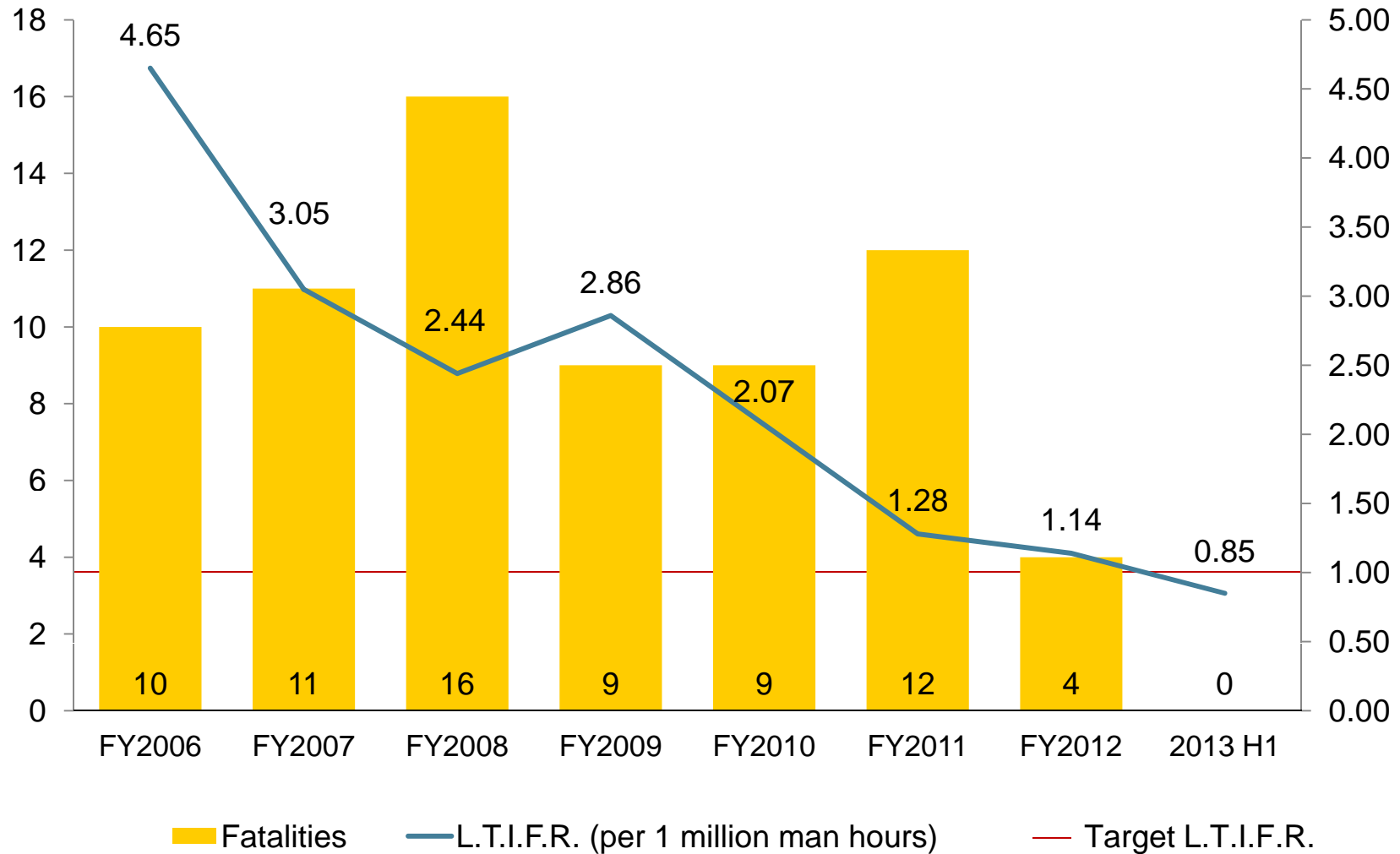
**Strategy
Phase 1 : FY12**

**Strategy
Phase 2 : FY13/14**

**Strategy
Phase 3 : FY15
and Beyond**

SAFETY PERFORMANCE

SIX MONTHS TO 31 DECEMBER 2012



OUR CAPABILITIES

OUR CORE COMPETENCE IS
ENGINEERING AND CONSTRUCTION

	Companies	Geography	Segments	Value chain	Contracts
Construction Africa and Middle East	<ul style="list-style-type: none"> • MUR Construction • MUR Marine • MUR Middle East • Concessions • Tolcon 	<ul style="list-style-type: none"> • REGIONAL - Africa - Middle East 	<ul style="list-style-type: none"> • Metals & Minerals(surface) • Energy,Industrial • Infrastructure • Building 	<ul style="list-style-type: none"> • Project Dev. & Design • Planning and Eng. • Construction works • Operations • Maintenance 	104
Engineering Africa	<ul style="list-style-type: none"> • MUR Projects • Wade Walker • Concor Engineering • Genrec 	<ul style="list-style-type: none"> • REGIONAL - Africa 	<ul style="list-style-type: none"> • Metals & Minerals • Energy (Oil & Gas, Power) • Industrial 	<ul style="list-style-type: none"> • Project Dev. & Design • Planning and Eng. • Construction works • Maintenance 	67
Construction Global Underground Mining	<ul style="list-style-type: none"> • MUR Cementation • Cementation Canada • RUC Cementation • Cementation Sud Am. 	<ul style="list-style-type: none"> • INTERNATIONAL - Africa - South East Asia - Australasia - Americas 	<ul style="list-style-type: none"> • Metals & Minerals 	<ul style="list-style-type: none"> • Project Dev. & Design • Planning and Eng. • Construction works • Operations 	67
Construction Australasia Oil & Gas and Minerals	<ul style="list-style-type: none"> • Clough 	<ul style="list-style-type: none"> • INTERNATIONAL - Australasia - South East Asia - Africa 	<ul style="list-style-type: none"> • Industrial • Metals & Minerals(surface) • Energy (Oil & Gas) 	<ul style="list-style-type: none"> • Project Dev. & Design • Planning and Eng. • Construction works • Maintenance 	59

Contracts: As at April 2013

Construction Africa and Middle East (Regional Platform)

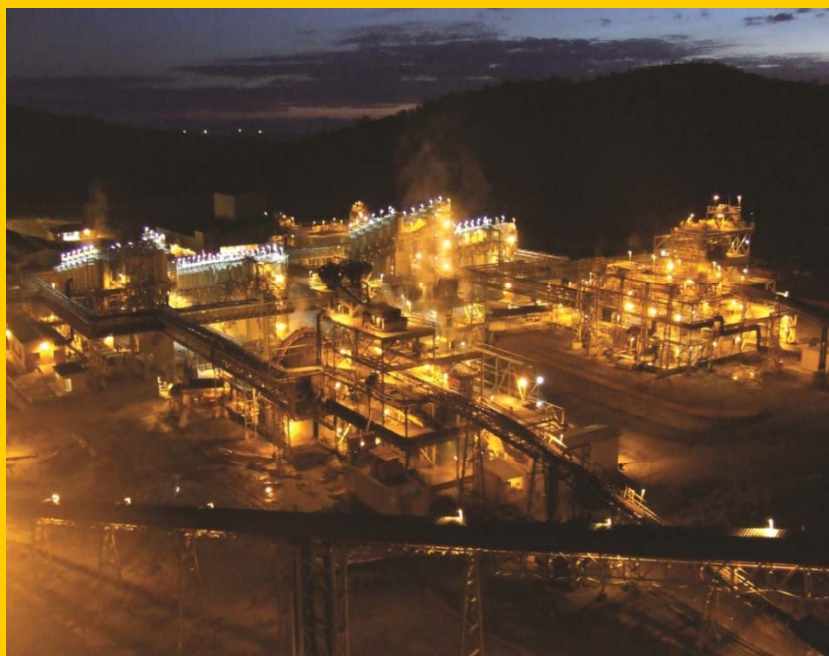


- **Project:** Portside
- **Location:** Cape Town, South Africa
- **Client:** Eris Property Group and Old Mutual Property
- **Capability:** Building a AAA-grade commercial office tower which will be Cape Town's tallest building



- **Project:** Medupi Power Station
- **Location:** Lephalale, South Africa
- **Client:** Eskom and Hitachi Power Africa
- **Capability:** Power generation – mechanical, electrical and civil construction, structural steel fabrication, erection and mechanical installation

Engineering Africa (Regional Platform)



- **Project:** Pilanesberg Platinum Concentrator
- **Location:** Pilanesberg, South Africa
- **Client:** Boynton Investments (DRA Mineral Projects)
- **Capability:** Detailing, supply, erection of structural steelwork, platework sheeting, installation of free issue mechanicals and commissioning



- **Project:** Hillendale to Fairbreeze Relocation
- **Location:** KwaZulu-Natal, South Africa
- **Client:** Exxaro
- **Capability:** Pre-feasibility and feasibility studies, detailed logistics, plant layout and engineering, complete new electrical and instrumentation design

Construction Global Underground Mining (International Platform)



- **Project:** Diavik Diamond Mine
- **Location:** Northwest Territories, Canada
- **Client:** Diavik Diamond Mines Inc.
- **Capability:** Underground decline and drift development



- **Project:** Picadilly Project
- **Location:** New Brunswick, Canada
- **Client:** PotashCorp
- **Capability:** Shaft surface plant, construction management of surface facilities and engineering and sinking of two 5.5 m diameter shafts

Construction Australasia Oil & Gas and Minerals (International Platform)



- **Project:** Gorgon Downstream LNG
- **Location:** Barrow Island, Western Australia
- **Client:** Kellogg Joint Venture Gorgon (KJVG)
- **Capability:** Front End Engineering Design (FEED), Engineering, Procurement and Construction Management (EPCM)









- **Project:** Pluto LNG Jetty
- **Location:** Karratha, Western Australia
- **Client:** Woodside Energy Limited
- **Capability:** Construction of 300m approach LNG jetty berth, includes a 40 x 50m platform, breasting and mooring dolphins and navigational aids

SIX MONTHS TO 31 DECEMBER 2012

	Order book % split		Order book Rbn		Order book Rbn FY Time Distribution		
	SADC	Int.	Dec 2012	Jun 2012			
Construction Africa and Middle East	80	20	8.6	9.0	2013	3.2	
					2014	4.6	
					>2014	0.8	
Construction Global Underground Mining	50	50	9.1	8.8	2013	2.9	
					2014	3.4	
					>2014	2.8	
Construction Australasia Oil & Gas and Minerals	0	100	22.0	19.4	2013	6.1	
					2014	9.0	
					>2014	6.9	
Engineering Africa	100	0	7.7	6.8	2013	2.1	
					2014	2.9	
					>2014	2.7	
Construction Products Africa	100	0	0.9	1.3	2013	0.5	
					2014	0.4	
					>2014	0	
	40	60	48.3	45.3	2013: R14.8bn 2014: R20.3bn >2014: R13.2bn		

Construction Africa and Middle East	<ul style="list-style-type: none"> • Will in the short term be marginally profitable • Participation in SA Government's major infrastructure development programme (roads, dams, power stations, railway lines, sea ports, schools and hospitals) • Well positioned to take advantage of infrastructure opportunities in South Africa and the rest of Africa (private clients)
Construction Global Underground Mining	<ul style="list-style-type: none"> • SA mining industry suffered increased industrial action • Ongoing commodity price volatility has increased demand uncertainty • Despite short to medium term uncertainty, long term commodity demand from industrialised countries is projected to increase • Based on the commodities outlook will target projects in Copper, Platinum, Gold and Coal sectors • Cementation Africa awarded its single largest project by De Beers valued at >R8 billion (Venetia - not included in December 2012 order book) • Growth in underground mining expected in Australia and Asia Pacific region, as well as in North America, Africa and South America in the medium to long term
Construction Australasia Oil & Gas and Minerals	<ul style="list-style-type: none"> • Murray & Roberts has a 62% shareholding in Clough • Strong LNG project capital spend in Australia to continue for at least the next two years • Significant ongoing capital spend expected in LNG plant asset support and maintenance for which Clough is very well positioned – a new opportunity • Minimum EBIT margin (ex Forge) FY13 and FY14: 5.5% • Longer term EBIT margin target: 7%
Engineering Africa	<ul style="list-style-type: none"> • Focus on engineering and construction opportunities (petrochemical, power, oil & gas, metals & minerals and industrial) in Sub-Saharan Africa • Established a presence in the water sector – good opportunity • Power programme order book (Medupi & Kusile) has performed well

PERFORMANCE AGAINST KEY INVESTMENT MARGINS AND ASPIRATIONS

Criteria	Method	Range	
Margin	$\frac{\text{EBIT}}{\text{Revenue}}$	5% - 7.5%	
Gearing	$\frac{\text{Total Interest Bearing Debt}}{\text{Ordinary Shareholders Equity}}$	20% - 25%	
Return on Equity (ROE)	$\frac{\text{Net Profit Attributable to Ordinary Shareholders}}{\text{Average Ordinary Shareholders Equity}}$	17.5% through cycle	
Return on Invested Capital Employed (ROICE)	$\frac{(\text{Taxed EBIT} + \text{Income from Associates})}{\text{Total Capital Employed}^*}$	WACC plus 3% - 4%	
Free Cash Flow Per Share	$\frac{\text{Operating Cash Flow} - \text{CAPEX} + \text{Proceeds on disposal of PPE}}{\text{Number of shares}}$	Cash Positive	
Return on Net Assets (RONA)	$\frac{\text{Taxed EBIT} + \text{Income from Associates}}{\text{Total Net Assets (Excl Tax and Cash)}}$	18% after Taxed EBIT	
Total Shareholders Return (TSHR)	$\frac{(\text{Increase in share price year on year} + \text{Dividend per share})}{\text{Share price (PY)}}$	Relative to others	TBD

3 PHASES TO GROUP'S RECOVERY & GROWTH STRATEGY

Phase 1 – FY2012 – The Recovery year

- **No structural strategic changes**
- Group alignment – **Purpose, values & vision**
- **New structures:** company and management
- Address **liquidity challenge**
- Operational **performance and culture** shift
- Develop a **growth strategy**

Phase 2 – FY2013/14 – The two growth years

- Return to **profitability and resume dividend payments** – enhancing **shareholder value**
- Deliver **operational, risk and contract management** excellence
- Selective **market segment re-positioning** in support of long term growth objective
- **Construction and Engineering** focus
- Increase **offshore revenue base** in support of long term growth objective
- Enhance **attraction, retention, performance and diversity** of our people
- Develop the **New Strategic Future** plan

Phase 3 – FY2015 and beyond – A New Strategic Future

- Implement the **new strategic future**



STRATEGY PHASE 1 : FY 2012

THE RECOVERY YEAR & CURRENT FAMILY PORTRAIT

During the Recovery Year Murray & Roberts has defined its position in the market with a 'Family Portrait' which includes 5 operating platforms

A Group of world class companies and brands aligned to the same purpose and vision, and guided by the same set of values with a common owner, Murray & Roberts Holdings Ltd

Stop.Think.Act.24/7: Safety first in everything we do

**Construction Africa
and Middle East**

**Construction Global
Underground Mining**

**Construction
Australasia Oil &
Gas and Minerals**

**Engineering
Africa**

**Construction
Products Africa**

Murray & Roberts Values

- Integrity
- Respect
- Care
- Accountability
- Commitment

Murray & Roberts Purpose

Delivery of infrastructure to enable economic and social development in a sustainable way

Murray & Roberts Vision

By 2020 we will be the leading diversified engineering and construction group


- in the global underground mining market, and
- selected emerging market natural resources and infrastructure sectors

Continue to build on Phase 1, implement Phase 2 and develop Phase 3

Phase 2 is primarily about disposals and acquisitions with the objective to

- Enhance shareholder value and resume dividend payments
- Return focus to core competence of Engineering and Construction
- Align portfolio of subsidiary companies with identified growth sectors; focus on energy (oil & gas, power) and mining (metals & minerals)

First, disposals to be concluded

- | | | | |
|------------------|--|----------------------------------|---|
| • Steel business |  | • Construction Products Platform |  |
| • UCW |  | • Clough's investment in Forge |  |
| • Project X |  | | |

Then, acquisitions to be made

- Project Y
- Engineering business in Australia
- Offshore mining contracting company

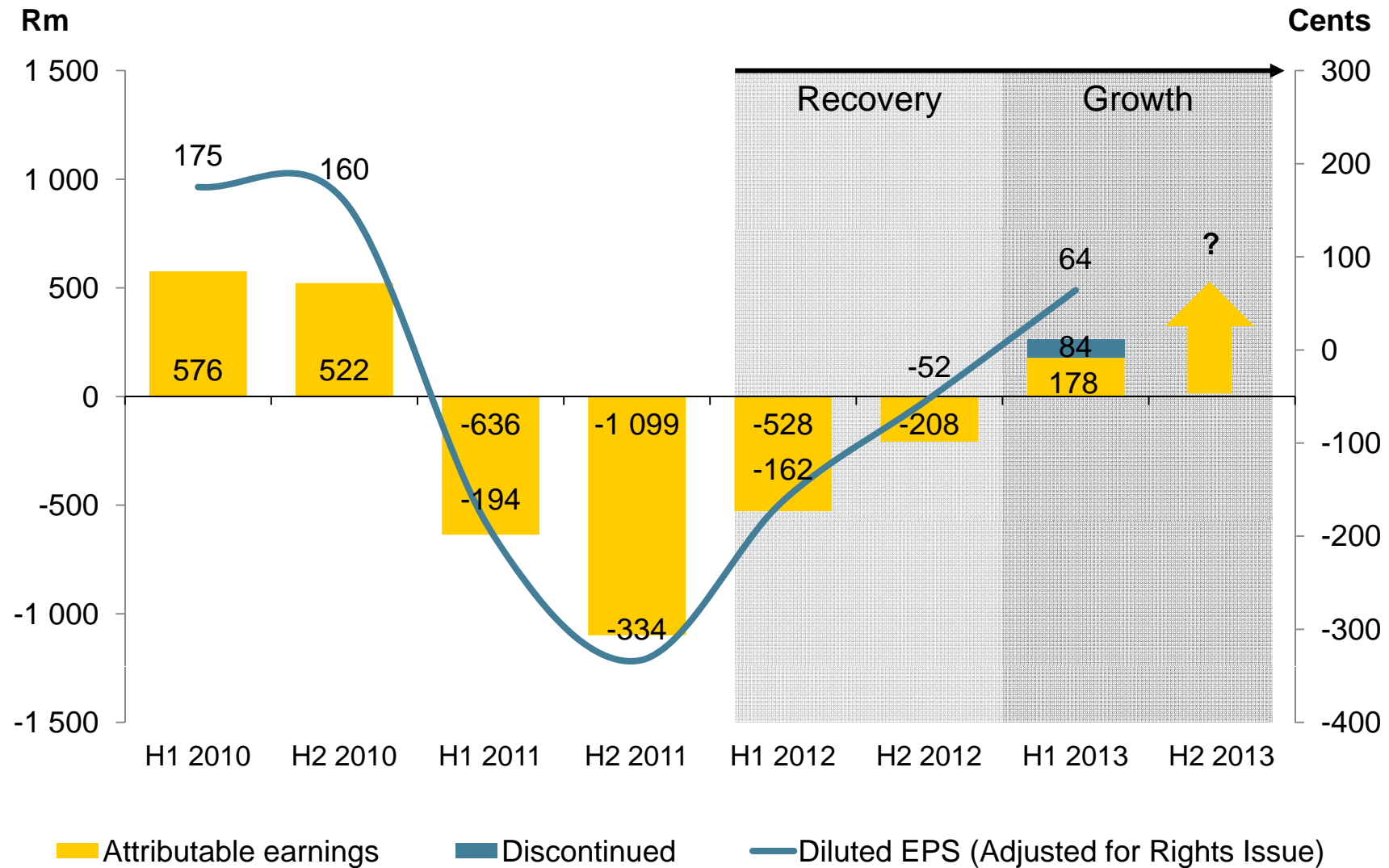
STRATEGY PHASE 2 : FY 2013/14

STRATEGIC OBJECTIVES - ALL IN PROGRESS

• Enhance shareholder value – rerating and growth beyond	
• Resume dividend payments	
• Selective market segment re-positioning in support of long term growth objective	
• Increase offshore revenue base in support of long term growth objective	
• Deliver operational, risk and contractual management excellence	
• Enhance the attraction, retention, performance and diversity of our people	

STRATEGY PHASE 2 : FY 2013/14

RETURN TO PROFITABILITY EARNINGS TREND





STRATEGY PHASE 2 : FY 2013/14

AT THE END OF THE GROWTH PHASE

Murray & Roberts will have re-defined its position in the market with a 'Family Portrait' which reflects only 4 operating platforms

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**Engineering
Africa**

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STRATEGY PHASE 3 : FY 2015 AND BEYOND

IMPLICATIONS FOR THE NEW STRATEGIC FUTURE

A business with **increasing international focus**

Group to be restructured accordingly - mainly in an **international structure** and a **regional structure**

Focus on **4 strategic platforms**

- **Regional** : Construction Africa & Middle East; Engineering Africa
- **International** : Construction Global Underground Mining; Construction Australasia Oil & Gas and Minerals

Primary **Growth initiatives**

- **Regional** : Market consolidation and organic
- **International** : Strategic Acquisitions and organic

Expecting **EBIT** from **international platforms** to **grow faster** than EBIT from regional platforms

MUR – a **leading international engineering and construction Group** of companies focussing on selected market sectors underpinned by **emerging market** demand, presenting **growth and long term value to shareholders**



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