



MURRAY & ROBERTS

Construction Africa and Middle East Platform

23 April 2014

Jerome Govender

Engineered Excellence

“The platform is emerging from a protracted period of operational, market and leadership instability. It has adopted a simple three phase strategy.

***Phase one** entailed returning the platform to operational and leadership stability. **Phase two** will focus on a return to profitability through improved operational delivery, and **Phase three** will target improving margins through order book growth, coupled with sustained operational excellence.“*

Murray & Roberts Annual Report 2013



KEY PLATFORM ISSUES

Achievements

- Simplified operating structure and bedded down leadership team
- Returned to profitability in the first half of the financial year
- Full year performance on track to be in line with our expectations
- Successfully resolved various commercial issues
- New Award in Middle East (First in >2 years)
- Significant new projects awards in 2H14

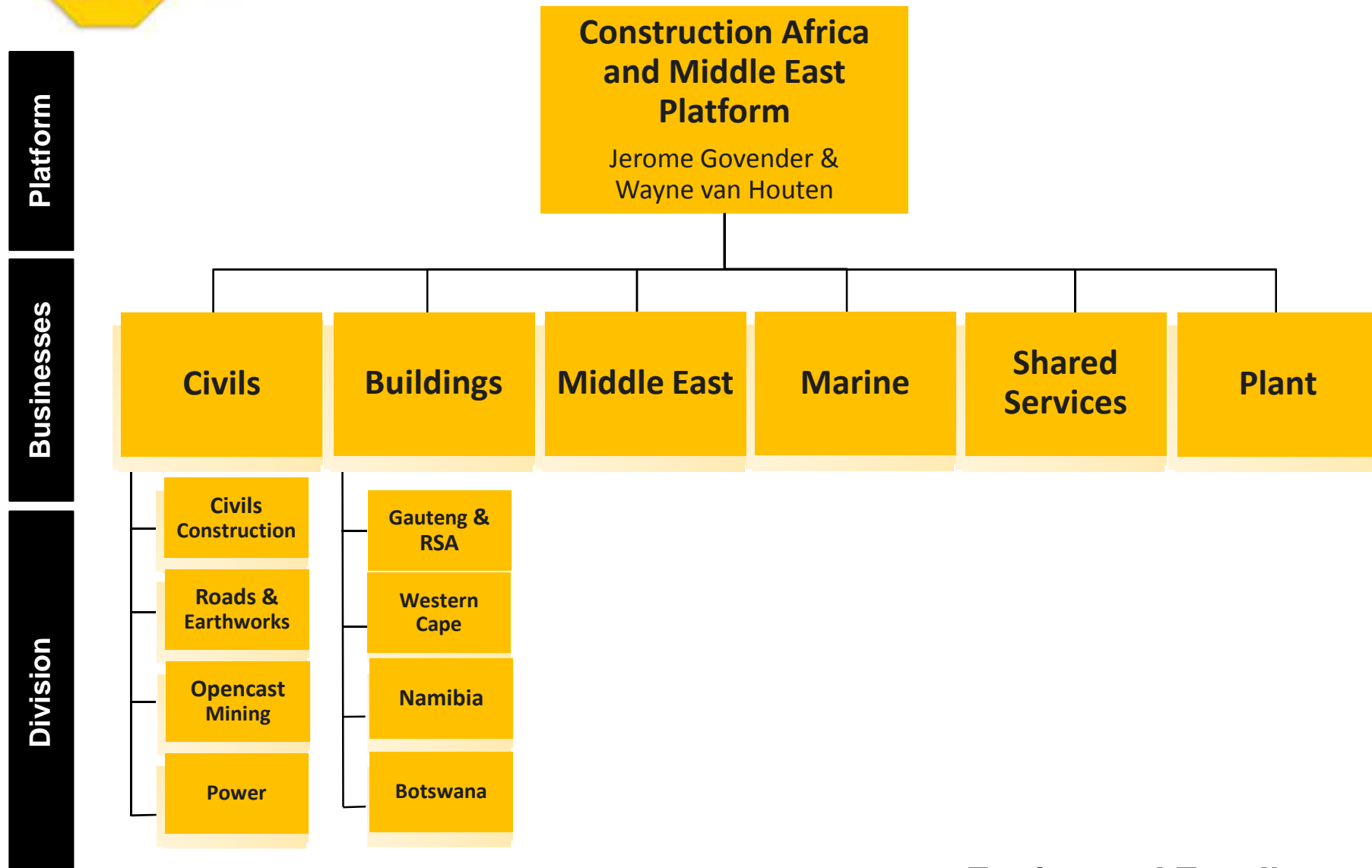
Challenges

- 2 Fatalities recorded in 2014
- Improving operational delivery this financial year
- Difficult conditions for commercial resolution of some matters
- Volatile labour environment
- No new work secured (as yet) in targeted African countries outside SADC

Engineered Excellence



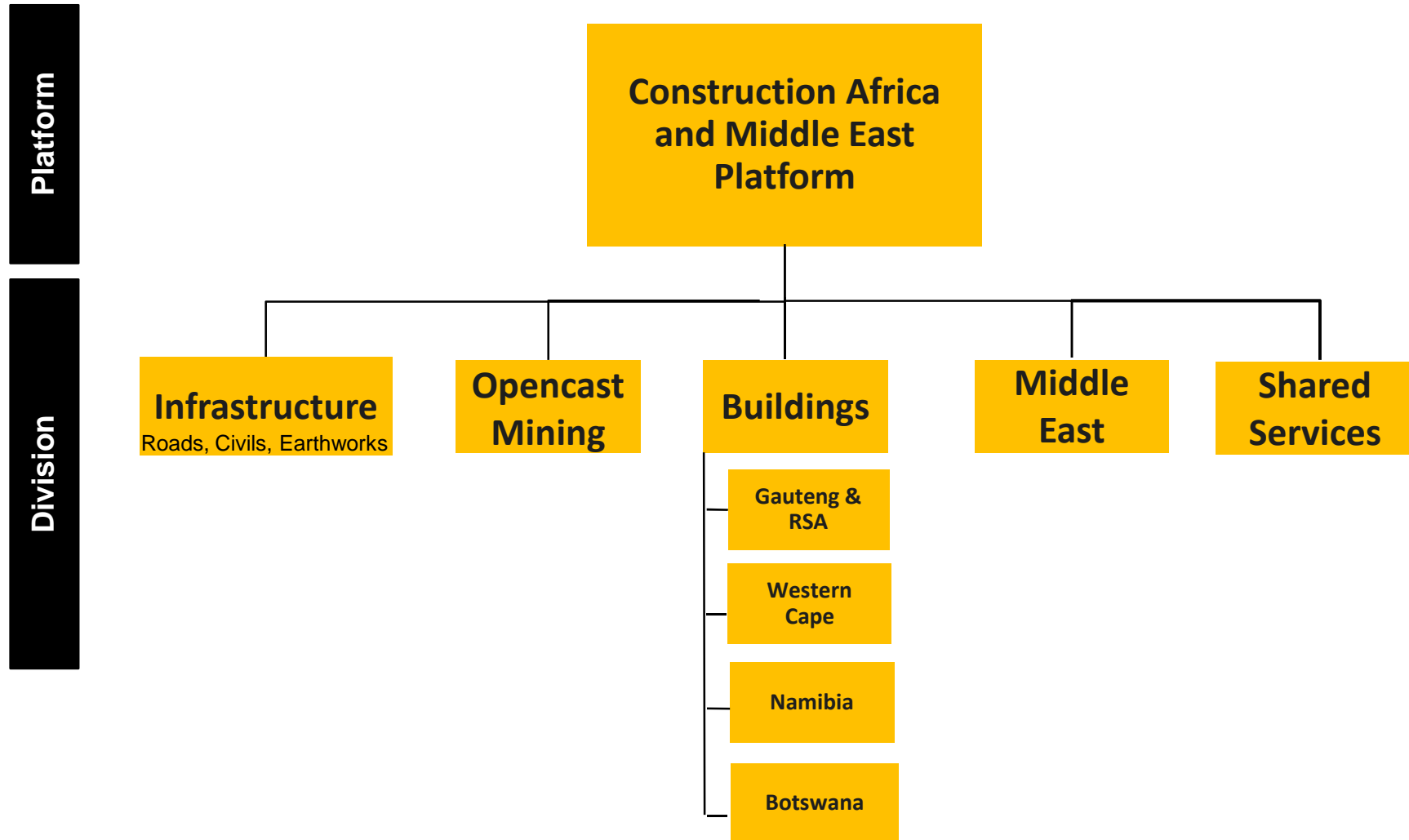
WHO WE WERE



Engineered Excellence



WHO WE ARE NOW



Engineered Excellence



WHAT WE DO

Bryanston Office Park



Engineered Excellence



WHAT WE DO

Jefferies Bay Wind Farm



Engineered Excellence

Dainfern Square Shopping Centre





WHAT WE DO

The Grove - Namibia



Engineered Excellence



WHAT WE DO

City Deep Container Terminal

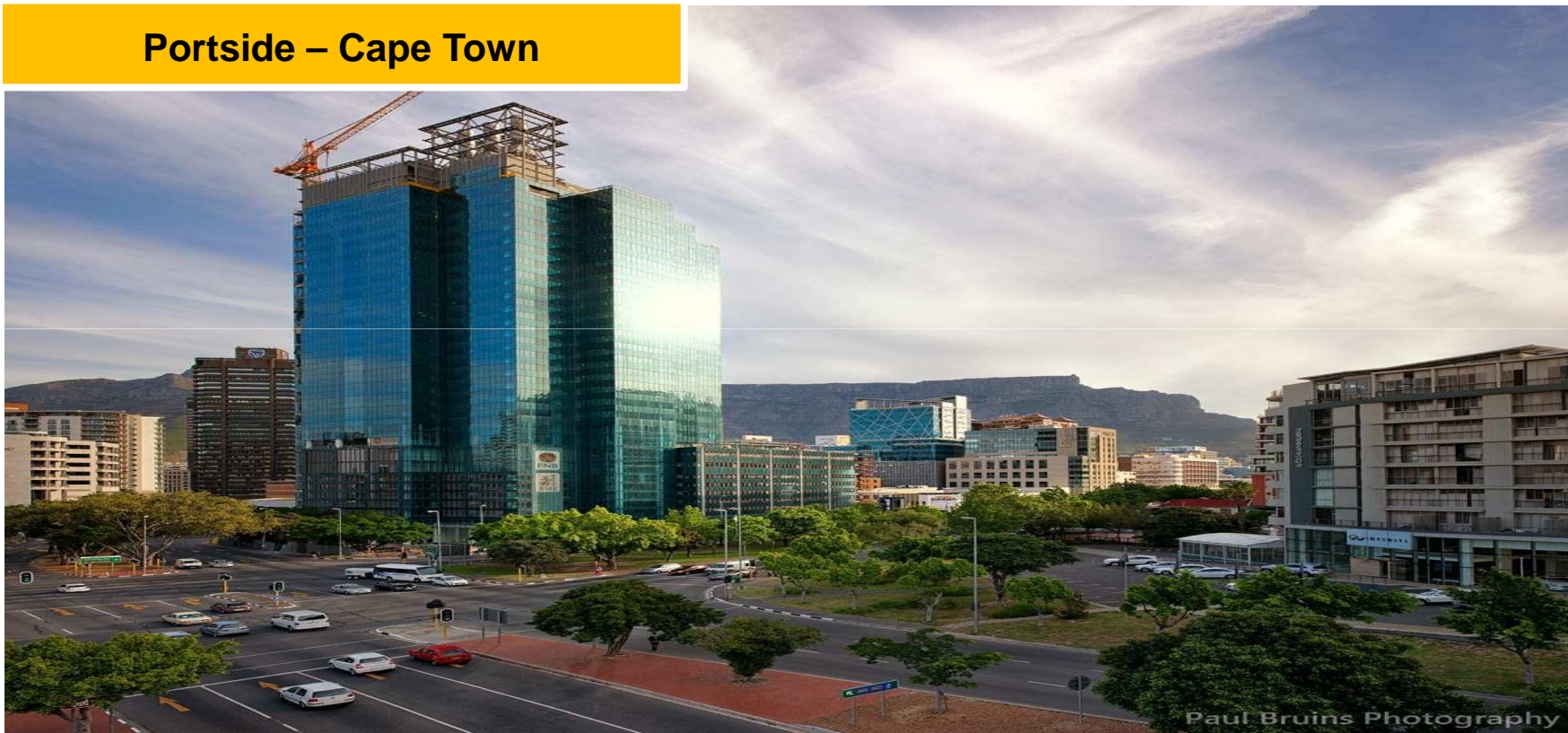


Engineered Excellence



WHAT WE DO

Portside – Cape Town



Engineered Excellence



WHAT WE DO

Lanseria Reservoir

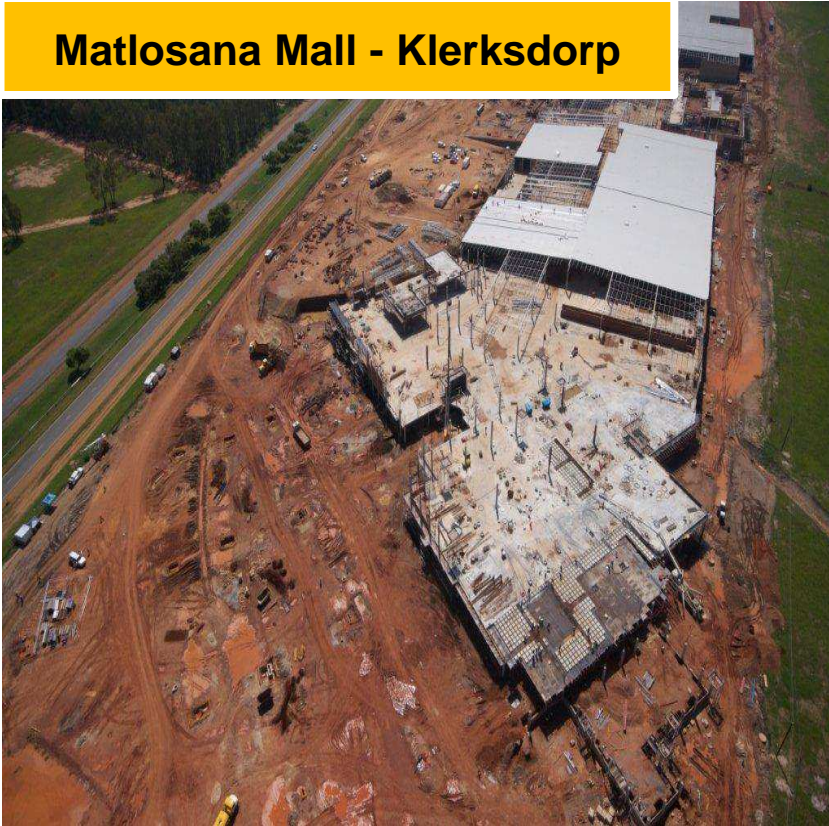


Engineered Excellence



WHAT WE DO

Matlosana Mall - Klerksdorp

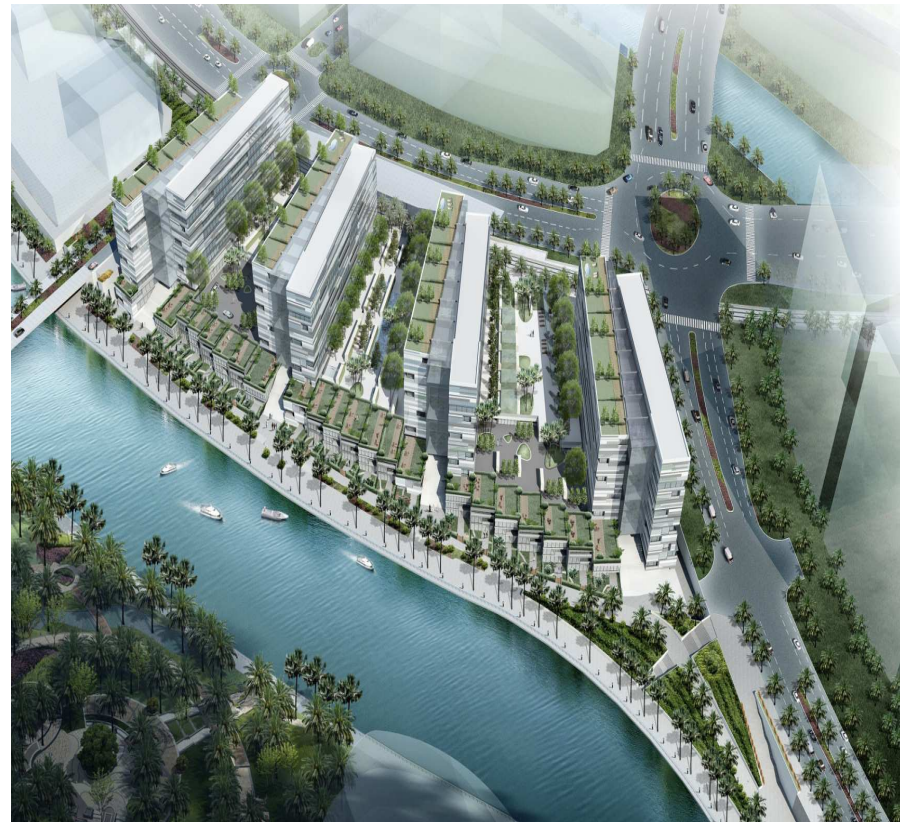


Engineered Excellence



WHAT WE DO

Al Raha – Abu Dhabi

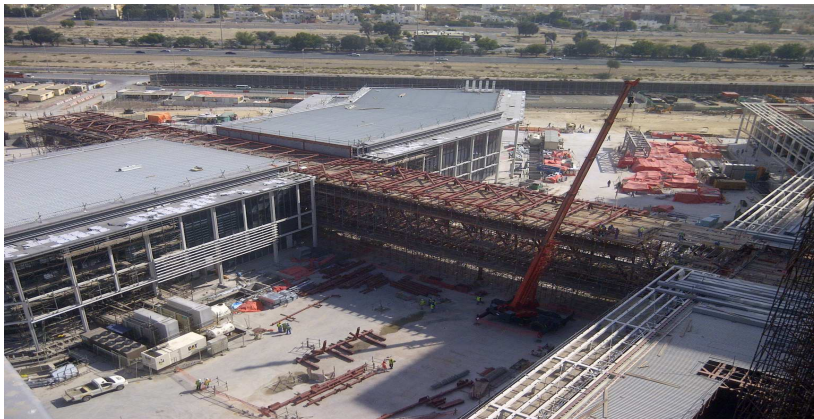


Engineered Excellence



WHAT WE DO

Mafraq Hospital – Abu Dhabi



Engineered Excellence



CURRENT MARKET ENVIRONMENT



TYPICAL CLIENT BASE

Buildings



Infrastructure



Opencast Mining

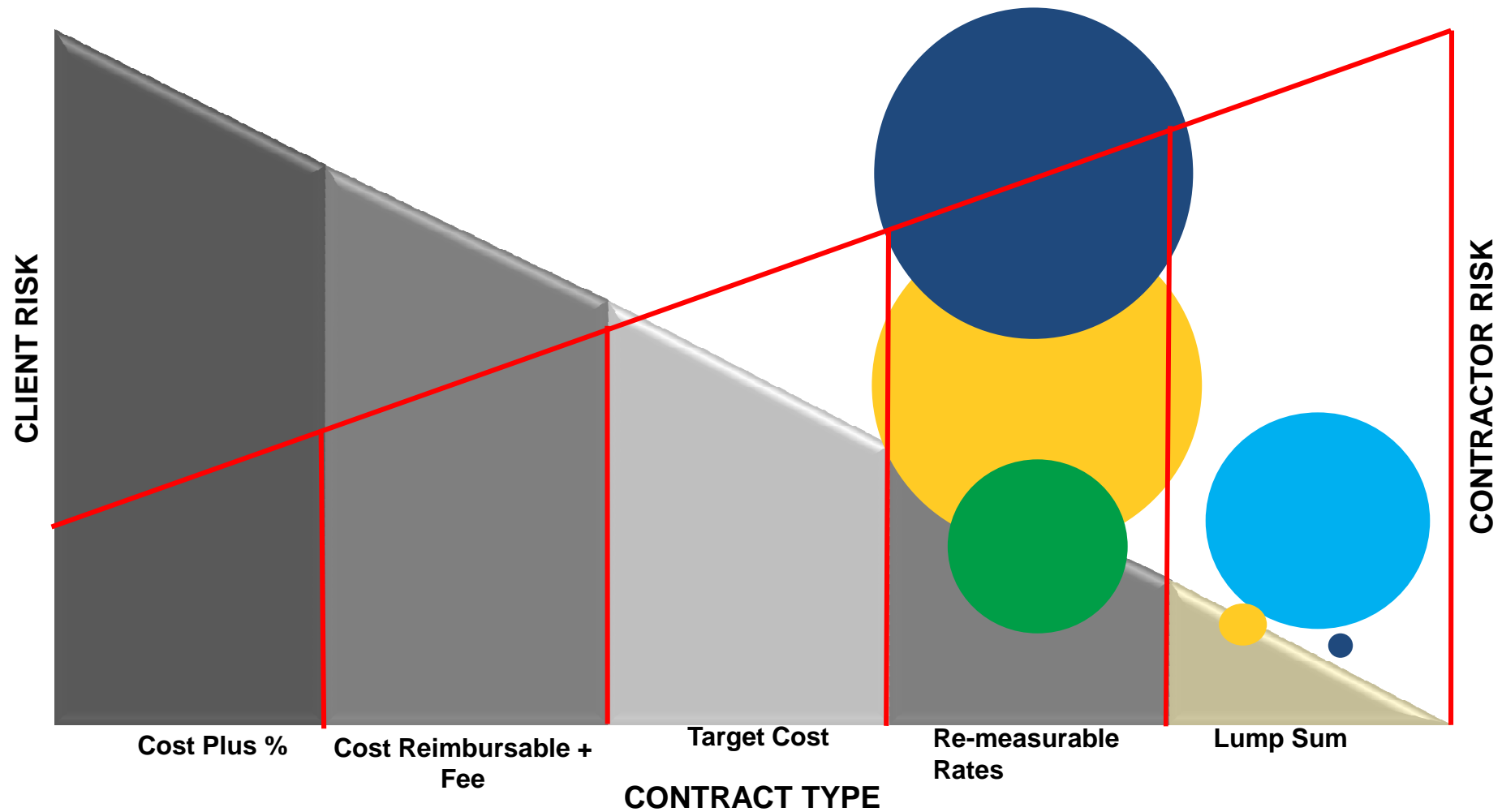


Middle East



Engineered Excellence

CURRENT RISK PROFILE CONTRACTING ARRANGEMENTS



- Limited real increase in government spend
- Limited private investment
- Construction industry overcapacity in most geographies
- Africa is no panacea – but pockets of opportunity exist
- Margins will continue to be under pressure
- Labour unrest impact a constant concern
- Despite this, we have secured some major project in H2 14:
 - Menlyn Park Shopping Centre upgrade – **circa ZAR 550 million**
 - Century City Convention centre – **circa ZAR 600 million**
 - Road Upgrades best price/awards– **circa ZAR 500 million**
 - Road upgrade Clarifications – **circa ZAR 385 million**



Engineered Excellence

- Entrench and sustain our focus on Operational Excellence
- Pursue additional commercial resolutions
- Continue to build relationships with our clients based on:
 - Murray & Roberts Construction has experienced and proven management and delivery teams
 - Murray & Roberts Construction delivers (Ernst & Young, Sandton)
 - Murray & Roberts Construction sees projects through
 - Murray & Roberts Construction is a level 2 BBBEE contributor
- Prepare for the future



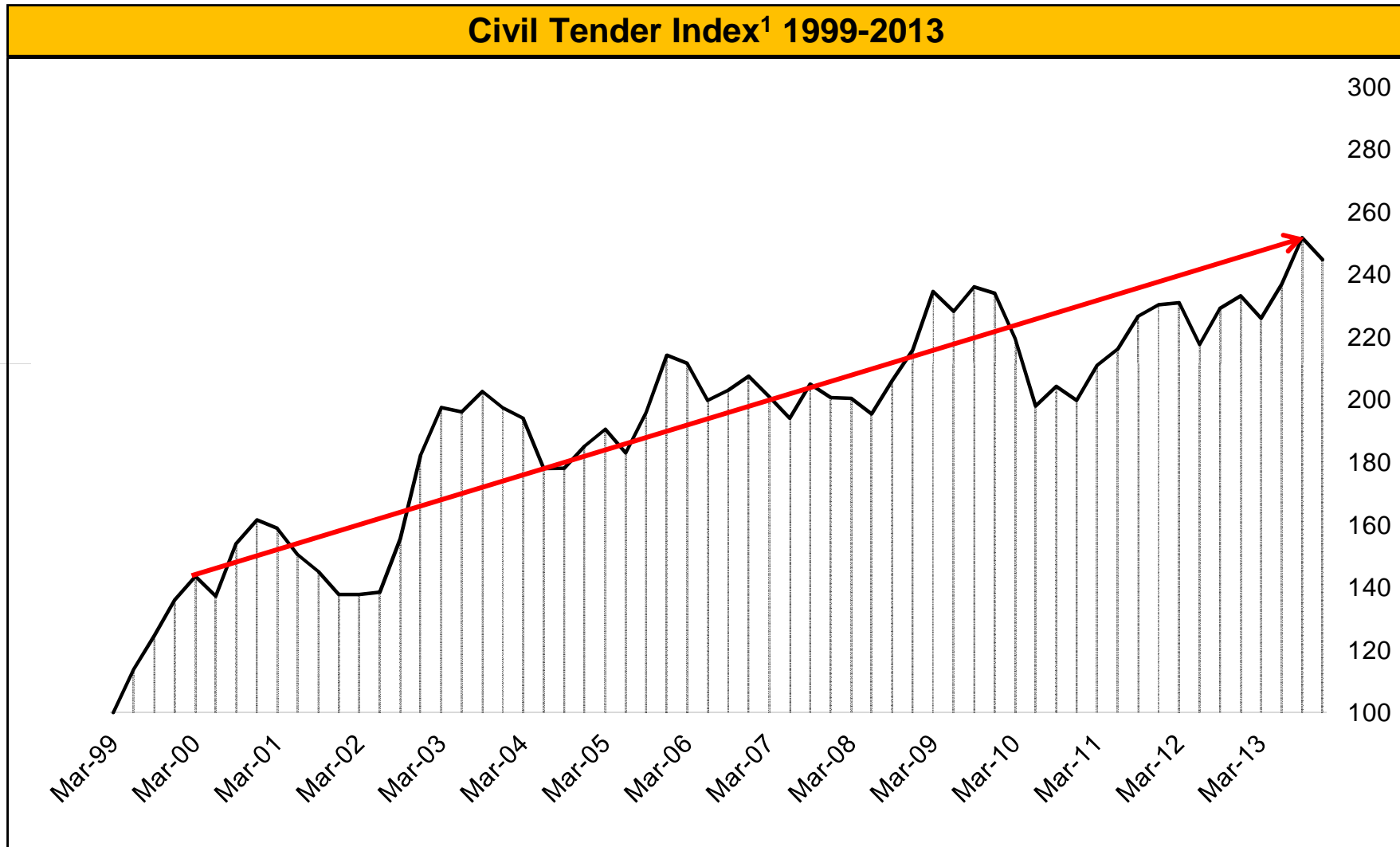
Engineered Excellence



FUTURE POTENTIAL (POST FY2015)



Long term upward trend

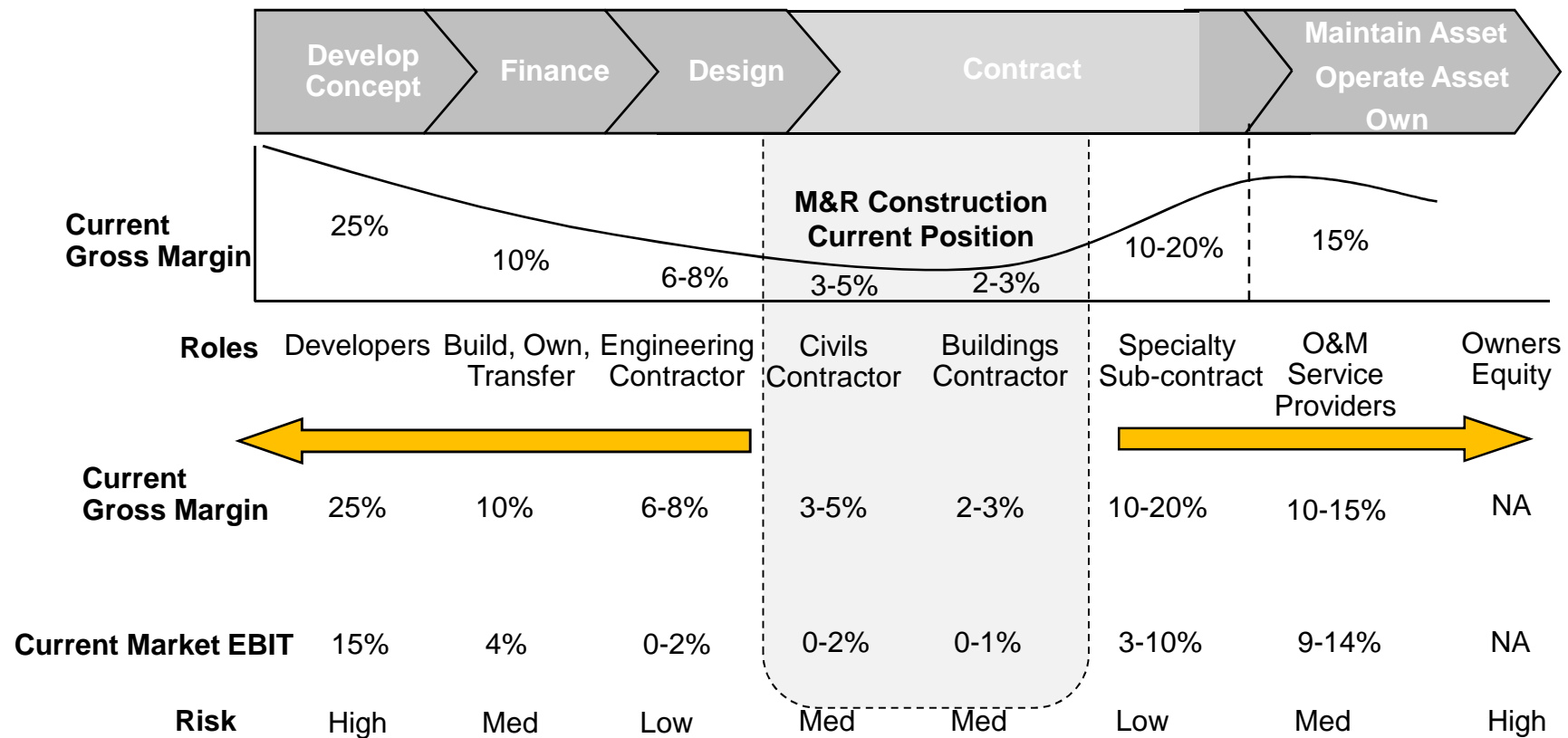


Notes: (1) Monthly Average Total indexed to 100 in March 1999
Source: Industry Insight Project Database, FTC Analysis

Engineered Excellence



CURRENT MARKET POSITION & POTENTIAL OPTIONS POST 2015



Engineered Excellence



THANK YOU

Engineered Excellence