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MURRAY & ROBERTS GROUP MAGAZINE

ROBUST.



Innovation

Cutting-edge solutions

Building SA

Delivering world class infrastructure

Recovery & Growth

Key recovery objectives achieved – focus shifts to growth





COVER PNG LNG Jetty Project in Papua New Guinea



4 Kusile Power Station project gathers momentum

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EDITOR

Lesley Lambert
E-mail: lesley@wisenet.co.za
Tel: +27 11 325-5388

MURRAY & ROBERTS

Physical Address
Douglas Roberts Centre, 22 Skeen Boulevard,
Bedfordview, 2007, Republic of South Africa

Postal Address

PO Box 1000, Bedfordview; 2008, Republic of South Africa

Tel: +27 11 456 6200
Fax: +27 11 455 2222
E-mail: info@murrob.com

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Tel: +27 11 532-4000
Fax: +27 11 646-6040
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RECOVER GROWTH



In July 2011, Murray & Roberts chief executive, Henry Laas and his executive team launched a three-year Recovery & Growth strategy to mitigate the impacts of the sustained economic recession and other challenges faced by the Group and to prepare the company for growth. A year later, Murray & Roberts has addressed the immediate challenges during its Recovery year to June 2012 and is now shifting its focus to the next two Growth years to place the Group on a new strategic path.

RY &

Murray & Roberts achieved all key objectives for the Recovery phase of its Recovery & Growth plan in the past year and has now turned its attention to the Growth phase of its strategic plan.



The first phase of the Recovery & Growth plan was implemented to re-energise and realign Murray & Roberts, to restore financial stability and to enhance operational focus. This was achieved through the development of a new purpose, vision and values. Financial stability was restored with

the successful restructuring of the Group's South African term debt in November 2011 and the implementation of a R2 billion rights offer which was successfully closed out in April 2012. At the same time, Group operations were reorganised into five operating platforms and executive and operational leadership teams were strengthened, particularly in the Construction Africa and Middle East operations.

DISPOSAL OF NON-CORE ASSETS

Corporate overheads were reduced and the process of disposing of non-core businesses was put into action: Clough’s marine construction business in Australia and Johnson Arabia and BRC Arabia in the Middle East were sold in the year to June 2011, while Cisco and the balance of the Steel Business were sold in two separate transactions concluded in August 2012.

Laas says the experience of the past year has strengthened the executive team’s resolve to maintain balance sheet strength, in good times and bad. “We have a clear understanding of what our sustainable growth rate is – the rate at which we can fund growth – and we are acutely aware of the need to always keep our balance sheet strong, even during growth periods when it is tempting to take on more opportunity than your business is able to digest.”

RESOLUTION OF CHALLENGES ON MAJOR CONTRACTS

There has also been progress in the resolution of issues on three major projects, which have had a significant financial impact on Murray & Roberts in recent years.

Gautrain’s second operating commencement date (OCD2) was certified by the Independent Certifier on 6 June 2012 and the final link of the system between Park and Rosebank stations was opened on 7 June 2012. This is a major achievement but Murray & Roberts has postponed its celebration of the event until the water ingress matter is settled either through negotiation or arbitration, and the arbitration on the delay and disruption claim is concluded.

An amicable “global” settlement was reached between the Medupi Power Station Joint Venture and Eskom in July 2012 which resolves all commercial issues encountered to date on the Medupi civils contract. This includes the negotiation of a revised programme and tender value to completion of the project.

The loss-making Gorgon Pioneer Materials Offloading Facility (GPMOF) marine project in Western Australia was completed in July 2012 and the project

“We are not aware of any new information that challenges our entitlement on the claims associated with these major projects but we are frustrated by the slow process,” says Laas. “Our target is to have all of these claims resolved by December 2014.”

has been fully demobilised. Murray & Roberts achieved an important breakthrough when the arbitration on the principle of design changes ruled in its favour. Resolution on the value for design changes claim is now underway.

To put the magnitude of the financial impact of these claims into context, Murray & Roberts spent approximately R2 billion of its own cash on the completion of Gautrain and GPMOF in the past financial year, and there is unlikely to be a quick resolution of the major claims, which will return cash to the Group. The Dubai International Airport final account claim will also take time to resolve. Very few businesses can sustain that level of unproductive investment.

“We are not aware of any new information that challenges our entitlement on the claims associated with the above three projects, but we are frustrated by the slow process,” says Laas. “Our target is to have all of these claims resolved by December 2014.”

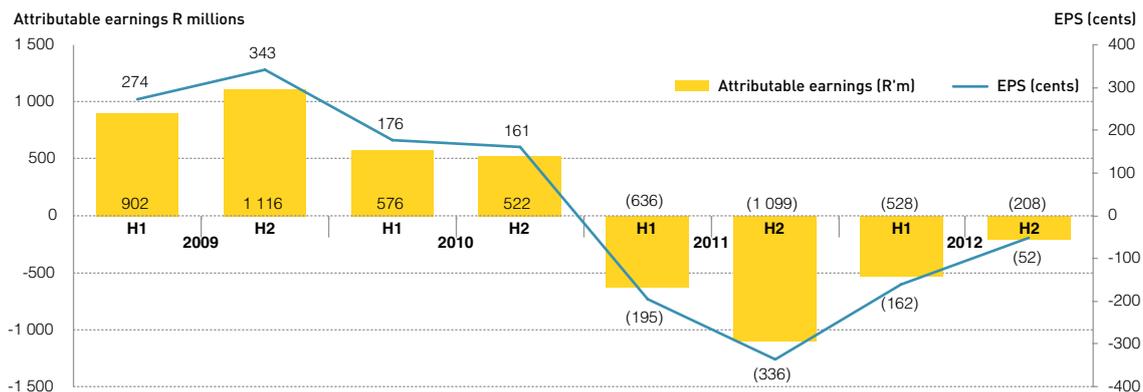
A NEW STRATEGIC FUTURE

The focus has now shifted to the implementation of a growth strategy which will, over the next two years, shape Murray & Roberts into a business with a stronger focus on its core competencies of construction and engineering, and better align the Group to markets that have been identified as the main growth nodes of the future.

Positioning for the growth phase commenced concurrent with the recovery phase, and its starting points were the preparation of the Group’s leadership team and operational structure for a new era.

“At the end of this process, we expect that the Group will be more clearly aligned to our pre-identified focus areas and our revenue base will be more globally diversified, although we will continue to respond to construction opportunities in the domestic market.”

Recovery & Growth strategy takes effect



“We assessed our geographic markets and segments in which we operate and identified those markets and geographies that offer the best long term sustainable growth potential. We then reviewed the Group’s current portfolio of businesses in order to establish whether it was aligned to these opportunities and we concluded that it was not. Over the next two to three years we will engage in corporate activities to achieve that alignment,” says Laas.

“At the end of this process, we expect that the Group will be more clearly aligned to our pre-identified focus areas and our revenue base will be more globally diversified, although we will continue to respond to construction opportunities in the domestic market.”

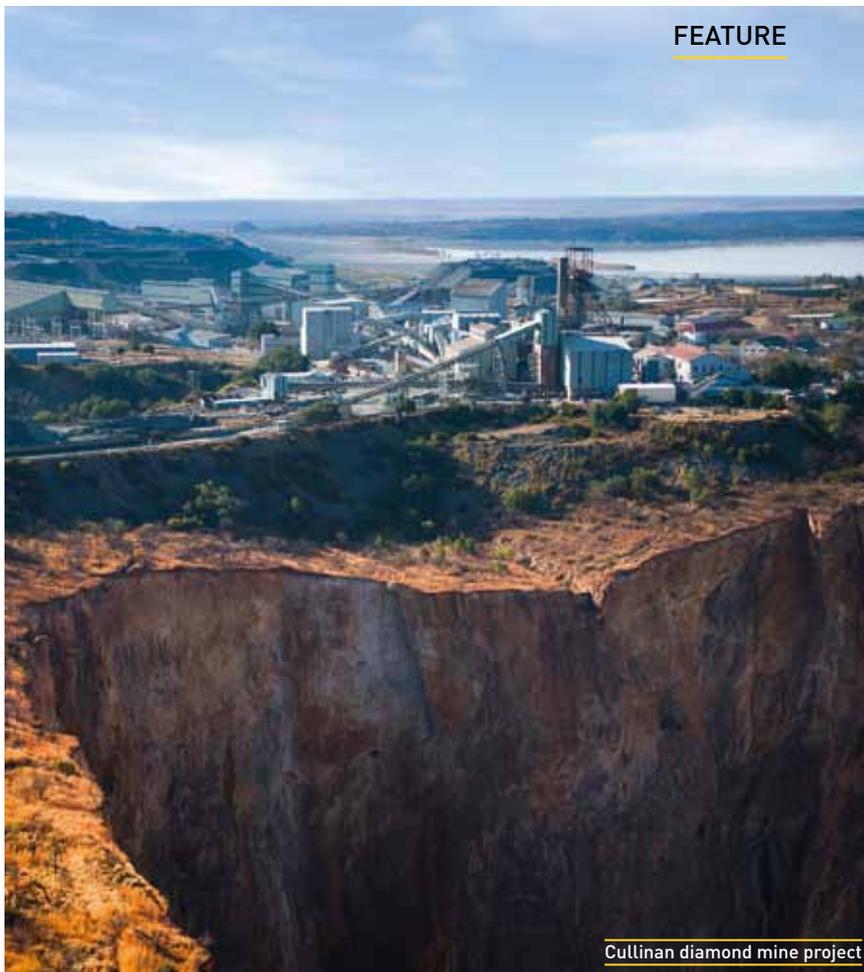
At the heart of Murray & Roberts’ growth strategy is the rebuilding of its core competencies and a strong focus on infrastructure development primarily in the mining, oil & gas, power, water and industrial markets. With the domestic construction market in the doldrums, the lion’s share of future growth will be generated in international markets. Already the Group’s project order book, which amounted to R45 billion at 30 June 2012, has a heavy international weighting, while more than 50% of group earnings are generated in the oil & gas and mining sectors.

Three of the Group’s five operating platforms present strong future growth potential. These are Construction Global Underground Mining, Construction Australasia Oil & Gas, and Engineering Africa.

With oil & gas one of the fastest growing global resource markets, Clough is a pivotal element in the Group’s growth strategy. The proceeds from the sale of its marine business strengthened Clough’s balance sheet and several other options to further strengthen Clough’s market positioning and value are under consideration.

The Construction Global Underground Mining platform, which combines Murray & Roberts’ mining activities in Africa, Australia, Canada and the USA, has been a valued contributor to the Group’s revenue and profits and its positioning in global mining economies make it a central player in the growth plan. The Group has diversified its exposure to commodities to reduce its historic dependence on platinum and has an established presence in the South American market, which offers significant future growth potential from Chile’s copper mines.

The Engineering Africa operating platform, which includes Murray & Roberts Projects, Wade Walker, Concor Engineering and Genrec, is gearing up for opportunities in the power and water sectors as demand for renewable energy and potable water grows at unprecedented levels. Murray & Roberts plans to strengthen its position in the water treatment market with a strategic acquisition and the Group recently secured a significant water treatment project at one of Gold Fields’ mines in Ghana. In the power market, Murray & Roberts is participating in Government’s IRP2010 renewable energy programme and is positioning itself as a subcontractor to technology owners to establish power-generating facilities and develop the infrastructure associated with power projects. The Group will also leverage its experience in operations and maintenance to provide support in this area of the power value chain.



Cullinan diamond mine project

CREATING A HIGH PERFORMANCE ORGANISATION

Murray & Roberts has invested significant resources in re-energising and uniting its people and operating platforms, supported by its values of care, accountability, commitment, integrity and respect for others. A recent initiative to strengthen unity has been the development of Skeen Boulevard into a Murray & Roberts Campus which, in time, will group all of the operating businesses in one location. Another recent initiative to reinforce efforts to create a high performance culture has been the introduction of performance contracts for executives and senior managers in the past financial year. These will be extended to other levels of the organisation during the course of the new financial year.

One of the most important achievements of the 2012 financial year has been the reduction in the number of employee fatalities to four, compared to 12 fatalities in 2011 and 10 in 2010. While the Group continues to strive for Zero Harm, this declining trend has contributed to a lifting of employee morale and it signals the embedding of the Group’s core values. This must surely bode well for the future.

STRATEGY IN ACTION

RECOVERY OBJECTIVES ACHIEVED:

- Murray & Roberts re-energised and realigned
- Financial stability restored
- Operational focus and leadership teams strengthened
- Non-core businesses disposed (Steel, Johnson Arabia, BRC Arabia)
- Progress with resolution of disputes on major projects (Gautrain, Medupi, GPMOF)

GROWTH OBJECTIVES UNDERWAY:

- Rebuilding core competency in construction and engineering
- Strengthening focus on future growth markets (mining, oil & gas, power, water, industrial)
- Preparing operating platforms to serve these markets (Construction Global Underground Mining, Construction Australasia Oil & Gas, Engineering Africa)

Cutting-edge

Innovation has always been a distinguishing characteristic of Murray & Roberts. The company built the world's first concrete mining headgear and the prestressed concrete version that is commonly used today. It replaced structural steel with concrete in the boiler house structures of thermal power stations, significantly improving their efficiency. Murray & Roberts also established the expertise, design and management capability to meet the stringent demands of the nuclear industry for safety, quality and risk management. *Robust* explores some of the Group's latest innovations.

A NEW ERA IN SHAFT SINKING

Murray & Roberts Cementation is transforming the way mine shafts are sunk in South Africa. The company has been selected by De Beers as the preferred contractor to undertake the development of an underground mining operation at its Venetia Mine and, pending a final feasibility study and the go-ahead from De Beers in 2012, this diamond mine could become the first to benefit from the progressive new methodology.

"We've abandoned the traditional South African approach to shaft sinking and the conventional way of carrying out concurrent activities in the sinking cycle," says Allan Widlake, the company's business development executive. "All activities in the sinking cycle will be handled in line — no two jobs will happen simultaneously. And, contrary to the assumption that this will slow down the entire cycle, with the full combination of changes we've engineered, this approach will actually improve productivities across the board.

"The new shaft sinking methodology harnesses sling-down Jumbo's that nest in the sinking stage. The advantage here is that this equipment can drill a burn cut round, which improves the advance and reduces the fly rock that typically causes damage in the conventional method," Widlake says. "We'll use sensitised emulsions for the blast initiation, with vertical shaft muckers housed in the stage — as opposed to cactus grabs. This allows for a faster cleaning time, with only one person needed at the bottom of the shaft during the mucking cycle.

A SAFER WORK ENVIRONMENT

"There are tremendous safety advantages to this approach, since the muckers are capable of manoeuvring the kibbles into position, eliminating the need for the human element in this dangerous task."

Murray & Roberts Cementation has also changed the design of the shaft shutter to allow for a six

metre lift in a single eight-hour shift. In addition the company has changed the way materials handling takes place on the surface, introducing a more mechanised approach.

There has been growing demand from clients, unions and government for improved safety during shaft sinking and for restricted use of certain equipment that has led to accidents in the past. This has provided the impetus for Murray & Roberts Cementation to review and replace the entire methodology in favour of a model tried and tested by sister company, Cementation Canada.

Widlake believes this practice will bring about the same safety statistics currently being recorded by Cementation Canada — a full shaft completed without one Lost Time Injury. This Zero Harm performance is attributable to technology and a higher skills set among the personnel involved.

Murray & Roberts Cementation is converting elements of its world class training facility, Bentley Park near Carletonville to implement components of the skills transfer across all stages of the sinking cycle. Final skills transfer will be conducted on the job, under the supervision of the team's Canadian counterparts.

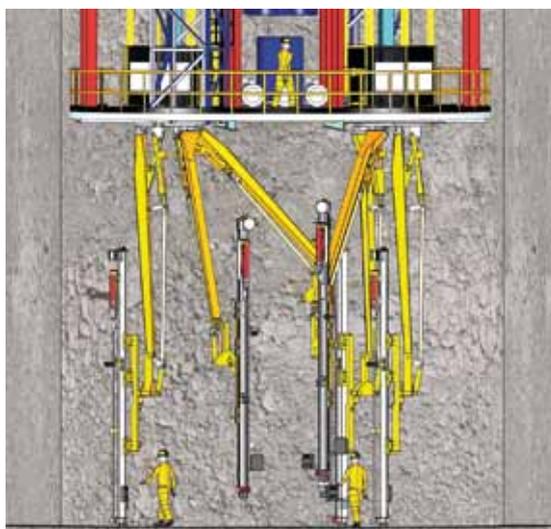
CONFIDENT OF DUPLICATING SUCCESS

"The scale on which this approach is being applied in Canada and the USA compares favourably with the dimensions of South African shaft sinking requirements and we are confident that we will be able to duplicate its success here," Widlake says.

Advantages of Progressive Methodology

- **Safety – Zero Harm performance achieved in Canada**
- **Stronger skill set**
- **Higher levels of productivity**

e solutions



Shaft bottom drilling by means of stage mounted drill rigs.

“We’re well advanced with the design work to support the transition. We’ve already fully designed the new stages and the new headgear requirements for the sinking phase. All this has been taken to Canada for peer review — the design work, adoption of technology, manpower planning and productivities used — and we have the full endorsement of the Canadian team.”

“We’ve taken a decision that we will sink no future shafts using traditional South African practices and we have already bid on four new contracts based on the new approach. Two are presently under adjudication and the first shafts will be sunk this way during 2012.”

A stable seabed for Beira

Every day the seabed at the port of Beira in Mozambique is shifted by strong tidal forces. The huge propellers and bow thrusters of ships berthing and leaving the port loaded with coal also disturb the seabed.

To address the problems associated with a constantly shifting seabed, port authorities tasked German consultants Odebrecht International to come up with a solution. They turned to Murray & Roberts subsidiary, Technicrete.

The solution designed by Odebrecht and Dutch engineering consultants DHV and executed by Technicrete, involved laying 35 000 concrete blocks assembled into 230 separate “mats” and covering an area of 3 200m² of seabed.

The Armorflex blocks were manufactured at Technicrete’s White River plant to a thickness of 220mm, as opposed to the standard Armorflex thickness of 115mm.

Individual blocks were then “laced” together with polyrene, a rope made

from a particularly strong chafe-resistant mix of polyester and nylon. Each mat consists of 152 blocks and weighs 5,8 tons. Measuring 5,9m X 2,4m, the mats were assembled in White River and transported to Mozambique on flat bed trucks.

Taco Voogt, Technicrete product development manager, says: “It’s very important that each mattress is correctly laid to fit snugly against its neighbour to ensure maximum effect.”

The area where the mats were laid is extremely muddy and so it was not considered advisable to use divers.

“Laying all mats individually means performing the same operation 240 times without the aid of divers – a very time-consuming exercise. Therefore the possibility was investigated of linking the mats together to form bigger units, which could be laid in a limited number of operations.”

To join the mats together, four half blocks were left out on each side so that rebar could be threaded through end-loops protruding from the mats.

The blocks were duly built and the mats assembled and deployed, resulting in improved conditions in Beira port.

Technicrete Armorflex blocks



A concrete solution

Concrete is not what it used to be – not since Murray & Roberts scientists set about changing almost everything we thought we knew about this basic building material.

Work underway on the Portside head office for Old Mutual and FirstRand. When completed, this will be the tallest building in the Cape Town CBD



Smart technology cut cement consumption on the Gautrain Project by about 110 000 tons

of bacteria into the mix. “Under certain conditions of chemical attack, which are usually bad for the concrete, these bacteria in fact thrive, reproducing rapidly and consuming the chemicals that attack the concrete. In addition, as they eat up the threat, the bacteria defecate calcareous, and these deposits fill up cracks that would normally weaken the structure.”

The Amalgam team is also investigating an ingenious electrochemical system that makes marine concrete more resilient to both wave action and chemical degradation. The system draws carbon dioxide from the sea water, encouraging the growth of a layer of coral that protects the undersea concrete. Such is the effectiveness of the coral that the concrete doesn’t have to be treated with expensive chemicals – and it is almost completely maintenance-free.

However, such benefits are not just measured in monetary terms. Cape Town’s Portside development, Cyril believes, will be the first building project to receive a full three-star Green Star eco-friendly rating for construction materials. The concrete being poured contains up to 70% waste materials and as much as 10% of the aggregates consumed (typically sand and stone) are waste materials. “Recently the consulting engineer working on Portside asked us to supply even more waste material because it just makes such a strong concrete,” says Cyril. “This technology means we can save money and time, deliver a superior result and, at the same time, do our bit to save the environment.”

The strength of concrete is measured in megapascals (MPa). In theory, a cubic metre of concrete that is rated 30 MPa (a typical standard for structural concrete) is able to withstand the weight of six bull elephants.

Traditionally, 30 MPa concrete requires between 300kg and 350kg of ordinary cement per cubic metre. But now scientists working for Murray & Roberts have developed a technology that meets the 30 MPa standard using just 25kg of cement or even less. Not only does it meet the standard, it far exceeds it. To date strengths of up to 52 MPa have been achieved using Murray & Roberts’ patented ARC (Advanced Recrystallisation) technology and only 25kg of cement per cubic metre.

Best of all, the ARC process uses large amounts of recycled waste products. The most common recycled ingredient is slag from the steel manufacturing process. However, at the 102 Rivonia Road project, now under construction in Johannesburg, Murray & Roberts Buildings is using up to 64% fly ash, a recycled byproduct from coal-burning power stations for which there is usually no use.

Research scientist, and head of Murray & Roberts’ Concrete Centre for Excellence, Cyril Attwell, says: “Not only does the process require less ordinary cement and is environmentally friendly, but also, because the concrete can gain higher strengths, we can build faster; sometimes a lot faster.”

Cyril, whose official job title is Group Concrete and Research Manager, adds that the typical specification for waste water treatment plants requires concrete that uses 420kg of binder per cubic metre. His team of scientists has now developed techniques that can meet the specification but use only 330kg. “This gives a distinct cost saving advantage to our clients.”

WORLD FIRST TECHNOLOGIES THAT PROTECT THE ENVIRONMENT

Cyril and his two colleagues at the Concrete Centre for Excellence in Amalgam on the West Rand, Warren McKenzie (Group Concrete Technologist) and Andries Magale (Laboratory Technician) have developed some remarkable concrete technologies, several of which are world firsts. Just one is a smart concrete involving the introduction of a particular type

Benefits of innovation

- Stronger concrete
- Recycling of waste products
- Cost savings
- Protection of marine concrete

BUILDING SA

Murray & Roberts has a leading role in a range of projects to upgrade South Africa's road, rail and power networks. Gautrain and the Medupi and Kusile power stations bear testimony to the Group's significant contribution to the development of world class social infrastructure.

MEDUPI AND KUSILE MECHANICAL

In June 2012 Medupi's critical Boiler 6 was hydraulically tested and, in August it was being prepared for its chemical clean, a second key milestone which is expected to occur in October. Following the chemical clean, Boiler 6 should be three months away from its first fire (a test firing of the boiler with oil, to be followed by the initial full fire with pulverised coal – the feedstock that will power Medupi in future).

As Boiler 6 undergoes its chemical clean, Boiler 5 is projected to undergo hydraulic testing. Meanwhile work on Boilers 3 and 4 is proceeding according to schedule.

With Murray & Roberts Projects' teams at Kusile obtaining partial access to the Mpumalanga site's Boiler 2 and full access expected by August, Murray & Roberts Projects is now working on six boiler units simultaneously – an unprecedented scale of operation. Meanwhile Genrec is maintaining monthly output of some 2 000 tons of fabricated steel per month, a rate that will be maintained throughout the 2013 financial year.

PROUD SAFETY RECORD

Despite the many potential hazards involved in such mega projects, Murray & Roberts Projects has passed the mark of three million hours worked without any lost time injuries at Medupi and Kusile and Genrec has achieved more than two million injury-free hours.

BUILDING LOCAL COMMUNITIES

Medupi and Kusile projects are having profound impacts on local communities and economies. At the two sites hundreds of millions of rands have been committed to local procurement, with BEE spend well ahead of targets. Efforts to increase spend with black women-owned businesses and SMEs are being prioritised.

Transfer of skills is another priority. At Medupi, 541 of 700 apprentices have already been trained while 167 of another 700 have so far received recognised artisan training at Kusile. The younger generation are also benefitting from Murray & Roberts' involvement in the power programme; every week a mobile science laboratory sponsored by Murray & Roberts and operated by TRAC, a national NGO, brings hands-on science education to hundreds of learners in the Lephalale and Delmas regions.

GAUTRAIN

Gautrain's second operating commencement date was certified by the Independent Certifier on 6 June 2012 and the final link of the system between Park and Rosebank stations was opened on schedule on 7 June 2012.

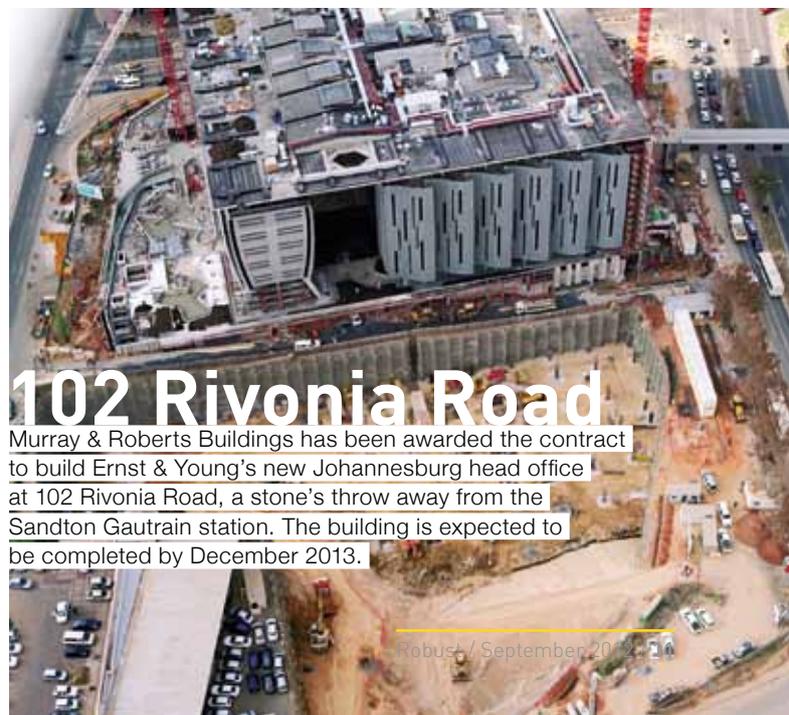
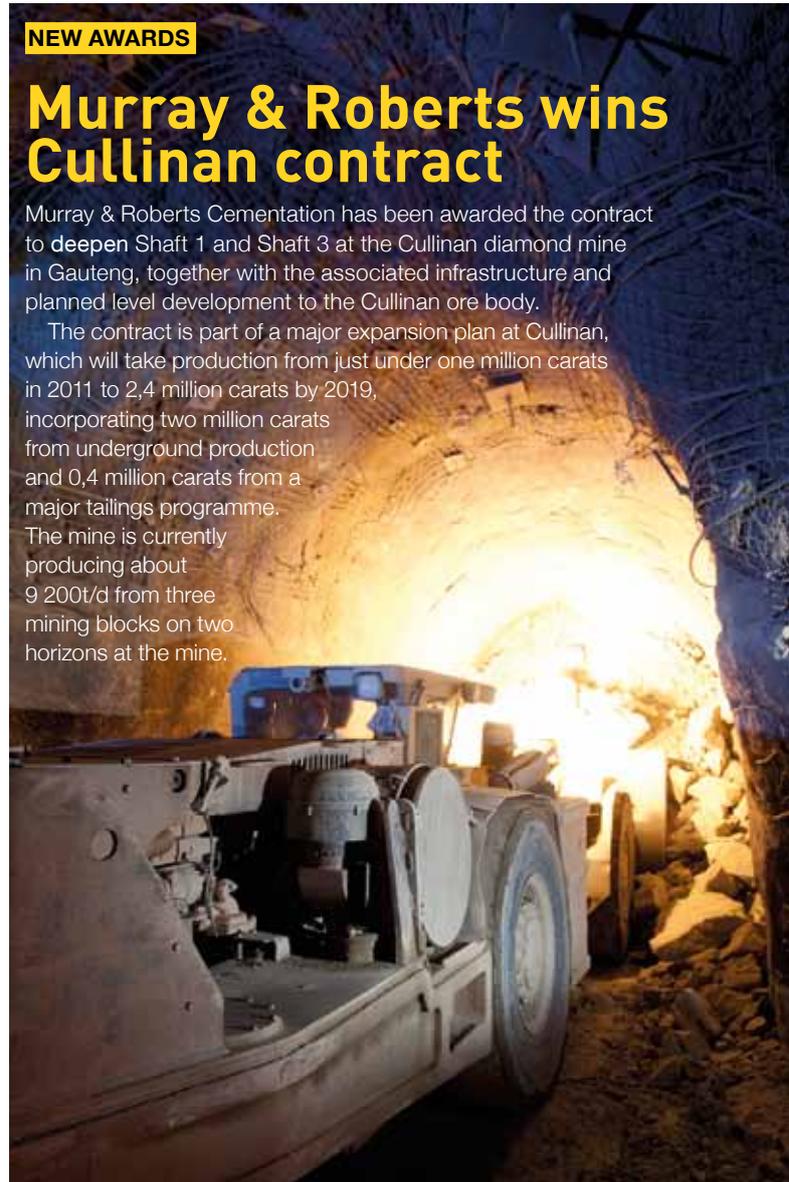
NEW AWARDS

Murray & Roberts wins Cullinan contract

Murray & Roberts Cementation has been awarded the contract to deepen Shaft 1 and Shaft 3 at the Cullinan diamond mine in Gauteng, together with the associated infrastructure and planned level development to the Cullinan ore body.

The contract is part of a major expansion plan at Cullinan, which will take production from just under one million carats in 2011 to 2,4 million carats by 2019, incorporating two million carats from underground production and 0,4 million carats from a major tailings programme.

The mine is currently producing about 9 200t/d from three mining blocks on two horizons at the mine.



102 Rivonia Road

Murray & Roberts Buildings has been awarded the contract to build Ernst & Young's new Johannesburg head office at 102 Rivonia Road, a stone's throw away from the Sandton Gautrain station. The building is expected to be completed by December 2013.

CLOUGH

BUILDING A SUSTAINABLE FUTURE

As an important part of Murray & Roberts' future, Clough is positioning its business to capitalise on the boom in Australia's oil & gas market.

Clough CEO and managing director, Kevin Gallagher reminded delegates at the recent APPEA oil & gas conference in Adelaide that Australia produced its first gas in 1960 and its first oil in 1964, and has been exporting liquefied natural gas (LNG) in substantial quantities from the North West shelf since 1989.

"However the journey has only just begun for Australia, with unprecedented growth in LNG projects over recent years set to increase Australia's LNG export capacity fourfold by the end of the decade. At this time the country will rival Qatar as the largest LNG exporter in the world."

How is Gallagher preparing Clough to participate in this journey?

IT'S AS SIMPLE AS 4 + 2 + 3

4 + 2 + 3 describes the strategy that will drive Clough's future growth. It's a strategy that focuses on structuring the Australian-based construction and engineering business to optimise project delivery and growth across its **four** business lines of Engineering, Capital Projects, Jetties and Near Shore Marine, and Commissioning and Asset Support.

The strategy focuses Clough on **two** foundation market sectors. The skills of its business lines are readily transferable across both sectors. Firstly, Clough will continue to strengthen its position in the energy and chemicals market, delivering upstream, downstream, offshore and onshore oil, conventional gas, LNG and petrochemical projects. The business will also re-establish its brand in the mining and minerals market, targeting iron ore, coal, precious and other minerals and metals projects. Clough has over 30 years' experience in the delivery of minerals projects. This sector provides an additional channel to bolster long term growth.

Finally, Clough will target **three** regions: Western Australia and the Northern Territory, Queensland and Papua New Guinea. In the long term Clough may expand beyond this geographical focus, though in the near term these regions have more than enough work across its two market sectors to deliver strong growth and achieve Vision2017.

LNG JETTY PROJECT POWERS AHEAD

The PNG LNG Jetty project, located 20 kilometres northwest of Port Moresby on the coast of the Gulf of Papua, has achieved an impressive array of technology and engineering feats since the project commenced.

The scope of work for BAM Clough, which was awarded the contract by Chiyoda JGC Joint Venture in September 2010, includes the design and construction of the LNG and condensate offloading jetty, in addition to the fabrication and construction of the topsides.

The project has used an innovative design comprising 120 pipe modules fabricated at Clough's Sattahip Fabrication Yard in Thailand and precast concrete deck and headstock manufactured at BAM's Decorient Precast Yard in Indonesia. The jetty is being constructed using a purpose-built travelling cantilever bridge, designed and built by BAM Clough.

Work completed to date includes the 2,4 kilometre long approach trestle and the loading platform and substation pile caps. Piling has been completed for navigation aids and beacon piles and the sea water intake has been installed.

Current activities are focused on the placement of the headstocks, precast slabs and continuing installation of the pipe rack modules for the topsides. Activities will then revolve around completing the breasting and mooring dolphin piles, installation of the dolphin topsides, and fabrication of the catwalk structures in Malaysia and pipe spools for the loading

and substation platform in Thailand.

The workforce currently numbers just under 400 people, with 330 working on-site in Papua New Guinea and the remainder spread between Brisbane and Thailand. The team is expected to wind down once civil works on the loading and substation platforms is completed in the next few months. Topside construction is scheduled for completion in March 2013 with the bulk of the work to be completed by the end of 2012.



PROFILE



KEVIN GALLAGHER
B.Eng (Mechanical) Hons
CEO and MD

Since his appointment in November 2011, Kevin Gallagher has moved quickly to position Clough for new opportunities.

He has conducted a detailed strategic review of the business, providing clarity and streamlining operations to improve project delivery performance and profitability. His short term focus is on establishing the leadership team, systems and people capabilities to deliver on the company's extensive project portfolio and drive strong, profitable growth.

Gallagher is a senior executive with more than 20 years of experience in managing oil and gas operations in Australia, the USA and North and West Africa. A qualified mechanical engineer, he commenced his career as a drilling engineer with Mobil North Sea, before joining Woodside in 1998.

During his 13 year tenure with Woodside, Kevin led the drilling organisation through rapid growth, delivering several Australian and international development projects and exploration campaigns and setting drilling performance records whilst improving safety. He also led the Australian oil business unit.

Prior to joining Clough, Kevin was responsible for production on Australia's largest resource project, the North West Shelf, where he held the positions of executive vice president, North West Shelf Business Unit and CEO, North West Shelf Venture at Woodside.

PURSUIT OF EXCELLENCE

Clough recently adopted the tagline Pursuit of Excellence to define key drivers in its strategy. Clough's pursuit of excellence philosophy includes:

- Investment in its people to create a high performance culture.
- Employing creative thinking and innovation to continuously improve the way it works.
- Never backing away from a challenge and never settling for outcomes that are deemed to be less than excellent.

"We will support this culture of excellence with the best systems and processes that consistently achieve industry leading safety, environment, people and financial performance, while constantly striving to execute every project to the highest quality standard. Ultimately, the relentless pursuit of excellence will help achieve our vision and provide superior value to our shareholders," Gallagher recently told Clough staff.

VISION2017

Vision2017 focuses on providing superior value to Clough's shareholders through excellence in project delivery performance, improved cost efficiency, diversification of earnings and growth achieved through the successful implementation of its strategy.

Construction of the PNG LNG Jetty, Papua New Guinea

RISING STARS

Young Jack Cheetham and Letsema Award winners are taking the world by storm

Chaeli Mycroft, inspirational founder of the Chaeli Sports & Recreation Club for children with disabilities and winner of the 2011 Murray & Roberts Letsema Award was recently awarded the 2012 Social Activism Award by Nobel Peace Laureates in Chicago. This follows her receipt of the International Children's Peace Prize from 1976 Nobel Peace Prize Laureate, Mairead Maguire in The Hague in November last year. Chaeli has also been invited to do a keynote address at the UNESCO conference in Paris in October and has made it into O Magazine's 2012 Power List as one of the 10 Women of the Decade.

Ross McCreath, winner of the 2010 Jack Cheetham Award for the development of the Tiger Titans Cricket Club for youths from the impoverished Nolutkanye township outside Bathurst, was awarded first prize in the Health and Wellbeing category of the inaugural National Youth Development Agency Youth Awards in July.



Masixole Mkrakra, a beneficiary of the Tiger Titans Club, addressed a Gala Dinner at Lords Cricket Ground in March. This followed an invitation to Ross who spoke at the same venue two years ago. Masixole was the first rural player to achieve his Eastern Province colours when he was selected for the Eastern Province Rural team in 2010

as wicket keeper and opening batsman. The dinner was organised by the Duke of Edinburgh's Award World Fellowship in celebration of the London 2012 Olympics. It was attended by HRH, Prince Edward, The Earl of Wessex and British sporting heroes.

Lawrence Ndlovu, a member of South Africa's lightweight fours rowing team that won a gold medal at the London Olympics, was one of the first successes to emerge from Rowing South Africa's (RowSA) schools transformation programme. The programme won the 2002 Jack Cheetham Award – and at the time Lawrence, who accepted the award with the RowSA team, was training for the 2004 Olympic Games in Athens. Lawrence, who sat at the stroke end of the boat in London, is no stranger to awards, but an Olympic gold must top them all.

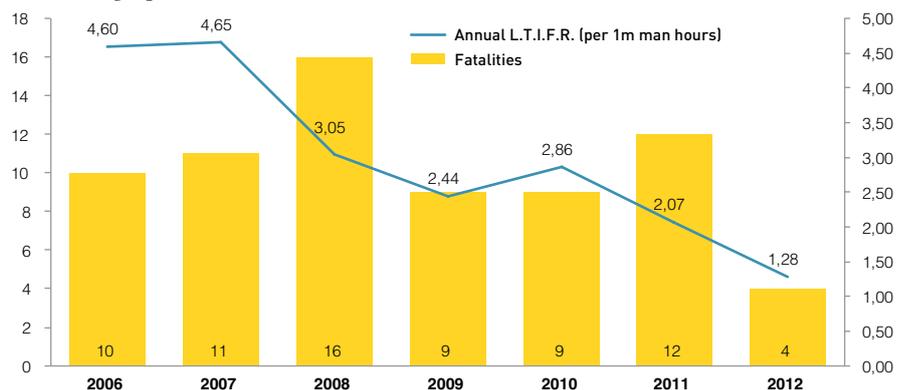
Together to Zero Harm

In an ongoing effort to achieve its health and safety vision of 'Together to Zero Harm', Murray & Roberts has decided to expand and strengthen its STOP.THINK safety programme.

In the previous year, 12 employees lost their lives in work related incidents, whereas this year, we recorded with the utmost sadness, four fatalities. We shall not celebrate our safety performance until such time as we are able to report zero fatalities, but we must acknowledge the hard work that has gone into ingraining a safety culture in all of our operations. We believe the improvement in our safety performance is in no small degree due to the visible and committed involvement of senior management in achieving our ultimate objective of Zero Harm in the conduct of our business.

The new brand to be launched is STOP.THINK.ACT.24/7. 'ACT' emphasises the importance of taking action to correct unsafe conditions and behaviour, as well as recognising positive behaviour, whilst '24.7' highlights the need to be safety aware at all times at work and after-hours.

Safety performance



NEW APPOINTMENTS

MURRAY & ROBERTS HOLDINGS LTD BOARD APPOINTMENTS

Mahlape Sello will succeed Roy Andersen when he retires as non-executive chairman of Murray & Roberts in March 2013. Mahlape was appointed to the board as a non-executive director in 2009. She is chairperson of the social & ethics committee and a member of the audit and sustainability and nomination committees. Mahlape serves on the Johannesburg Bar Council and is a member of the South Africa Law Reform Commission.

Thenjiwe Chikane was appointed a non-executive director of Murray & Roberts on 15 June 2012. Thenjiwe is a member of the audit & sustainability committee and the risk management committee. She is a director at Nedbank Group, Nedbank Limited, Datacentrix Holdings and the Institute of Directors and a trustee of AfricaRice.

EMPLOYER OF CHOICE

Top Graduate employer

Murray & Roberts has been voted the Top Graduate Employer in the Engineering or Industrial Sector for 2012.

In a survey conducted by the South African Graduate Recruiters Association (SAGRA), 1 689 graduates were given the opportunity to vote for the company that they felt had the best graduate programme in individual sectors – and Murray & Roberts led the pack in its sector.

“We are proud of this achievement and are committed to continuously improving our graduate development programme, which focuses primarily on the softer skills that the graduates would not necessarily have been exposed to during their tenure at university,” said Zelia Soares, leadership development executive. “Further, it helps with the transition from a learning environment to a working environment.”

Best company to work for?

Murray & Roberts is participating in the Deloitte 2012 Best Company to Work for Survey.

The survey offers a unique opportunity to engage with employees across the Group in an objective manner, and will provide valuable insight into how our employees feel about these 10 dimensions:

- Confidence in the organisation
- Working relationship with manager
- Overall job satisfaction
- Sense of inclusion in the organisation
- Operational effectiveness
- Ethics and integrity in the organisation
- Career development
- Work-life balance
- Performance and recognition
- Remuneration

Results will be available on 4 October 2012, and will inform our employment strategies and priorities for the future. Participation will also allow us to benchmark ourselves against other participants in relevant size and industry categories.



Deloitte.



JEROME GOVENDER (40)

Qualification: BSc (QS) MSc MBA

Jerome was appointed operating platform executive for the Construction Africa and Middle East operating platform and a director of Murray & Roberts Limited from 1 August 2012.

Jerome has been the chief executive of Bombela Concession Company (BCC) since 2007, having joined the Murray & Roberts corporate office in 2002. He was appointed commercial director of Murray & Roberts Construction and then general manager of Murray & Roberts Concessions.

Before he joined Murray & Roberts, Jerome was a director at the Department of Public Works and interim chief executive of the Construction Industry Development Board.

What are the milestones you are most proud of having achieved in your career so far?

So far, it would have to be leading Bombela Concession Company through the intense negotiations process with Provincial Government and our various subcontractors to agree on terms for delivering Gautrain's Phase One in time for the Soccer World Cup 2010; and then its subsequent delivery three days ahead of Kickoff. It was a great achievement for South Africa and the team at Bombela. I am also immensely proud of the fact that, although Gautrain has presented significant challenges for some contractors, Bombela Concession Company has been able to deliver significant value to its shareholders.

What are you looking forward to in your new role?

There are some great people in the Construction Africa and Middle East Platform who love what they do. They are working on some amazing projects. I am looking forward to working with them and collectively delivering value to our clients and to Murray & Roberts.

What are your main interests after-hours?

My wife and I have four month old twins – a boy and a girl – Adam and Leah. They are the apples of my eye. And so for now, when I am not working, I try to spend as much time with them as I can. It's amazing how they help take my mind off the pressures of the day.

A caring legacy

Murray & Roberts has a rich tradition of advancing societal and development objectives in South Africa. Partnerships with organisations spearheading the development agenda have been commonplace since the early 1950s. For over half a century, responsible corporate citizenship has been embedded within the company and in 2012 we celebrate and reflect on a proud legacy of positively impacting individuals and communities.

The earliest evidence of community engagement and support dates back to the 1950s, prompted by the late Andrew Roberts. Perturbed by the growing number of children living in despair and poverty, Dr Roberts initiated engagements with Child Welfare South Africa which culminated in the establishment of the Murray & Roberts Child Welfare Fund in 1956 to support underprivileged and vulnerable children, while promoting involvement among employees.

Community engagement within Murray & Roberts has evolved into a group-wide, strategic business imperative. Significant societal shifts since the 1950s necessitated a shift in the role of business in society. Murray & Roberts has been responsive to progressive thinking and adopted appropriate community development strategies that would assist in redressing social injustices and facilitate sustainable development.

Today, the Group's community development is encompassed in three strategic programmes: Murray & Roberts Corporate Social Investment, Murray & Roberts Child Welfare Fund and the Letsema Sizwe Community Development Trust.

These programmes are aligned with the overall business strategy, focusing on:

- mathematics, science and technology education
- numeracy and literacy development in early childhood
- environment education.

Priority is also placed on women's empowerment, youth development, supporting people living with disabilities and orphans and vulnerable children. Financial contributions in excess of R100 million and innumerable human resources have been invested into these development interventions over the last 50 years.

PARTNERSHIPS FOR DEVELOPMENT

Addressing past and present day socio-economic issues calls for partnerships with the relevant stakeholders. Without meaningful and strategic partnerships, promoting redress and sustainable development would have been an unattainable feat. The spirit of 'partnerships for development' which was pioneered almost six decades ago still thrives within Murray & Roberts today. The company remains committed to establishing partnerships with employees, local communities, schools, civil society organisations and government departments.

Throughout its history, Murray & Roberts has partnered a myriad of organisations and institutions including universities, business coalitions, education departments, community based organisations and other private sector companies. Sponsorships of research Chairs at several universities resulted in ground-breaking innovations in engineering and environmental sustainability programmes. Similarly, seed funding from Murray & Roberts

Rocklands Primary School Principal, Mr Pretorius in front of the Homestead model which was built using ecofriendly materials and forms part of the Outdoor Classroom Programme



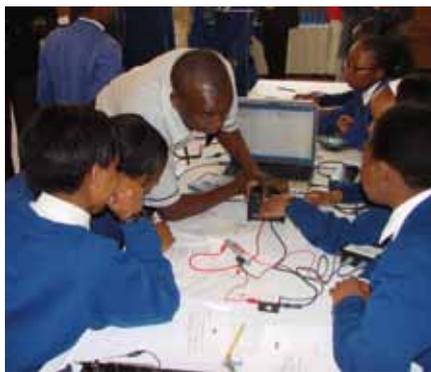
supported the establishment of business coalitions such as the Business Trust and the National Business Initiative, which are currently regarded as crucial instruments in influencing and monitoring the role of business in society.

Millions of secondary school learners across the country have been reached through strategic investments into education. Over the last 10 years, the Murray & Roberts CSI strategy has been firmly rooted within education. Recognising that education is the starting point for the country's talent pool and a sustainable development foundation, we have consistently sought to identify those components within the education system that require support. Through our partnership with TRAC South Africa, we have influenced new thinking in terms of science and technology education in rural schools. Massive investments in fixed and mobile laboratories have resulted in increased performance and interest in science and engineering.

Learners discover plants at Rocklands Primary



Financial contributions in excess of R100 million and innumerable human resources have been invested into these development interventions over the last 50 years.



Physical Science experiments in progress through the TRAC lab programme



SEED's permaculture gardens; Homestead model – Rocklands Primary School

The Murray & Roberts Child Welfare Fund has evolved into a well established programme that is financed through employee payroll giving contributions and the proceeds from annual fundraising events. Donations from the Child Welfare Fund cover basic needs such as food, clothing, educational resources and shelter. Since the inception of the programme an average of 30 organisations have been supported annually

and more than 100 donation requests are received. Employees remain eager to support vulnerable children and in 2012 we will increase our employee involvement programmes to promote greater impact.

We are proud of our heritage of 'caring' and look forward to even greater partnerships with our employees, communities and development partners in the pursuit of a sustainable society for all.

A true taste of Africa

Experience a luxurious retreat at Thula Thula

TOTAL VALUE:

R12 000



THULA THULA PRIVATE GAME RESERVE

An easy two-hour drive from Durban, and 45 minutes from Richards Bay, Thula Thula is the ultimate destination to experience a true taste of Africa. Deriving its name from the Zulu word for 'peace and tranquillity', this private game reserve is home to the ambient, five-star Elephant Safari Lodge and a luxurious, Bedouin-style Tented Camp, bordering the Enseleni River. Once the hunting grounds of the mighty King Shaka, Thula Thula is steeped in history. Framed by a majestic landscape, the reserve is abundant with wildlife, including a breeding herd of elephant, of Lawrence Anthony's bestselling book *The Elephant Whisperer* fame. The tastefully appointed suites of the Elephant Safari Lodge are decorated in an Afro-Colonial style, whilst the romantic Tented Camp is reminiscent of a safari camp of a past era. Each spacious tent boasts a private viewing deck, and a luxurious ensuite bathroom, complete with a Victorian bath. Guests of the lodge are treated to gourmet French cuisine whilst more traditional South African fare is served at the Tented Camp. Thula Thula is situated in a malaria free area.



For further information contact Thula Thula Private Game Reserve on (035) 792 8322 or visit www.thulathula.com

PRIZE!

Two night's accommodation for two people sharing at Thula Thula Private Game Reserve: one at the Elephant Safari Lodge in the Suite Imperiale and one at the luxury Tented Camp, inclusive of all meals, game activities and a champagne picnic lunch.



ENTRY FORM: ROBUST/THULA THULA PRIVATE GAME RESERVE SEPTEMBER 2012 COMPETITION

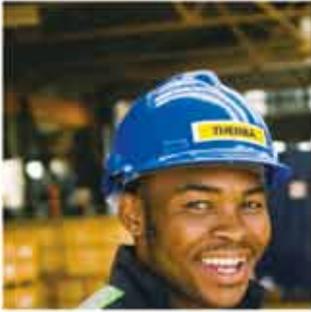
Answer the easy question, complete the entry form and send to Murray & Roberts Competition, PO Box 1151, JHB 2000 – to reach us before 30 November 2012. You can also fax to (011) 646-6040 or e-mail competitions@propart.com (remember to put Murray & Roberts Competition in the subject line).

Name: _____

Phone number: _____

Question: Who will succeed Roy Andersen as Chairman in 2013 ? _____

* Strictly one entry per person



Leadership

The continuing success of Murray & Roberts is shaped and influenced by the knowledge, skills and personal attributes of our leaders in every sphere of our operations.

To ensure we are all well equipped and prepared to meet our current and future leadership needs, Murray & Roberts has developed an integrated leadership development model. This model, underpinned by The Leadership Pipeline philosophy, provides a strong foundation for developing our current and future generations of leaders.

The better the quality of our leadership, the greater our ability to benefit from current and future opportunities to improve and grow our business.

We build to last.

110 years: 1902 to 2012



Murray & Roberts Client Service
Tel: +27 (011) 456 1144
Fax: +27 86 637 0113
Email: clientservice@murrob.com