

SEPTEMBER 2014

MURRAY & ROBERTS GROUP MAGAZINE

# ROBUST.

## Global expansion

Clough extends its global reach

## Flexing muscles

Operations in South Africa, Canada and Australia leverage their collective strength

# Engineered Excellence

Murray & Roberts is targeting excellence in every facet of its business as it enters a New Strategic Future

**Murray  
& Roberts**



**Cover** Clough's Nitric Acid Plant and Ammonium Nitrate Plant number 3 (NAAN3)



**04 Feature** Engineered Excellence

# CONTENTS

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## FEATURE

### 4 Engineered Excellence

Murray & Roberts is proceeding with its longer term plan to build a New Strategic Future. Underlying this is an approach which the Group terms 'Engineered Excellence'.

## OPERATIONS

### 8 Global expansion

- Clough has been awarded new projects in the Australian power sector and is extending its global reach.
- Cementation celebrates a decade of excellence.

### 10 Operations flex their muscle

- Murray & Roberts' mining operations in South Africa, Canada and Australia are combining their collective strength on the newly awarded De Beers' Venetia project.
- Murray & Roberts Middle East wins its second major project in Qatar.
- Murray & Roberts Water makes headway in the water sector.
- A new force in infrastructure development.

## SUSTAINABILITY

### 12 Transformation: A competitive advantage?

- While broad-based transformation and employment equity are moral, social and legal imperatives, Murray & Roberts recognises that they also have a direct impact on the Group's future sustainability in South Africa.
- Medupi Leadership Initiative celebrates its first anniversary.



The Clough Scholars programme has awarded more than 200 scholarships to the brightest young engineering students in Western Australia.

16 Clough Scholars programme



11 Contract award in Qatar



12 Transformation: a competitive advantage?

**NEWS**

**15 Q&A**

*Robust* chats to Annalie Woest, Regulatory Compliance Manager.

**16 Recognition**

- Excellence in Integrated Reporting.
- *Impilo Yethu* wins prestigious international Gold Quill Award.
- Bidding farewell to Roger Rees, former CFO of Murray & Roberts.
- Clough agrees three-year sponsorship with Western Force.
- Australia's brightest engineering minds awarded Clough scholarships.

**COMPETITION**

**18 Competition**

Stand a chance to win two nights' accommodation for two adults sharing, including three meals daily and two safaris daily.



17 *Impilo Yethu* wins a Gold Quill Award

# Engineered

Murray & Roberts has emerged from three years of focused strategic intervention as a financially robust, diversified international project engineering and construction group, that is ready to take charge of its New Strategic Future.



# Excellence



The three year Recovery & Growth strategy was by necessity short-term focused and mainly remedial in scope, and has provided a strong foundation from which Murray & Roberts can grow. The Group has substantially achieved all its objectives during this period.

Murray & Roberts is now proceeding with its longer term plan to build a New Strategic Future. By 2020 the Group aims to be a leading international diversified project engineering, procurement and construction group in selected natural resources market sectors. Underlying this plan is a guiding principle which the Group terms 'Engineered Excellence'.

"What this means is that we will plan or 'engineer' everything we do in such a way that we achieve an outcome of 'excellence'," says Group CE Henry Laas. "Whether it is in the way we are delivering our projects, the way in which we structure our balance sheet or the way in which we develop our people. Nothing will happen by chance – we will take charge of our future and plan the outcomes we wish to achieve.

"During the past three years we've all worked very hard to regain the confidence of our stakeholders in the Group's future prospects. We need to build on this confidence as we implement the New Strategic Future for the Group," says Laas.

**REPOSITIONING MURRAY & ROBERTS FOR THE FUTURE – RENAMING THE GROUP'S OPERATING PLATFORMS**

As part of the Group's initiative to reposition Murray & Roberts and its brand in the minds of shareholders and other stakeholders, the Murray & Roberts Limited Board has renamed the Group's four operating platforms.

Murray & Roberts' capability is in the delivery of large engineering and construction projects and the Board felt that it was necessary to rename the platforms to more accurately describe the target market sectors in which the Group operates.

The new operational platform names are:

- Infrastructure & Building (previously Construction Africa and Middle East)
- Underground Mining (previously Construction Global Underground Mining)
- Energy & Industrial (previously Engineering Africa)
- Oil & Gas (previously Construction Australasia Oil & Gas and Minerals)

**NEW STRATEGIC FUTURE OBJECTIVES**

The Murray & Roberts Board recently approved the New Strategic Future plan, which will be shared with stakeholders in more detail as the plan unfolds. The main objectives of this plan are to:

**1. Maximise Shareholder Value**

Murray & Roberts remains focused on increasing profitability, cash generation and returns to shareholders. The Group ended the 2014 financial year with a strong balance sheet, a much improved liquidity position and strong earnings growth relative to its peers in the domestic market. With the exception of its EBIT margin, the Group achieved all of its investment margins and aspirations during the 2014 financial year.

**INFRASTRUCTURE & BUILDING**

(previously Construction Africa and Middle East)

**UNDERGROUND MINING**

(previously Construction Global Underground Mining)

**ENERGY & INDUSTRIAL**

(previously Engineering Africa)

**OIL & GAS**

(previously Construction Australasia Oil & Gas and Minerals)

INVESTMENT MARGINS AND ASPIRATIONS

CRITERIA	METHOD	RANGE
MARGIN	$\frac{\text{EBIT}^1}{\text{Revenue}}$	5% to 7,5%
GEARING	$\frac{\text{Net Total Interest Bearing Debt}}{\text{Ordinary Shareholders Equity}}$	20% to 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)	$\frac{\text{Taxed EBIT} + \text{Income from Associates}}{\text{Total Capital Employed}^4}$	WACC <sup>2</sup> (12,5%) plus 3% to 4%
FREE CASH FLOW PER SHARE	$\frac{\text{Operating Cash Flow} - \text{CAPEX}^3 + \text{Proceeds on disposal of PPE}}{\text{Number of shares}}$	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 tax EBIT
TOTAL SHAREHOLDERS RETURN (TSHR)	$\frac{(\text{Increase in share price year on year} + \text{Dividend per share})}{\text{Share price (PY)}}$	100% relative to peers

1 Earnings before interest and tax.  
2 Weighted average cost of capital.

3 Capital expenditure.  
4 Total capital employed = total equity + interest bearing debt – assets-held-for-sale – cash + advance payments.

## 2. Focus on Natural Resources

Murray & Roberts will focus its engineering and construction service offering on selected natural resources market sectors. The Group is already well positioned in the oil & gas, mining, energy and industrial markets and will continue to pursue organic and acquisitive growth in these selected markets. It is furthermore considering opportunities to establish a meaningful presence in the global industrial water market.

## 3. Diversify our Business Model

Murray & Roberts currently generates the bulk of its profits in the construction part of the project value chain. While it intends to maintain a strong position in this part of the value chain, the Group plans to more aggressively grow its presence in other parts of the project value chain, in particular specialist engineering, commissioning and asset support. This will be achieved through organic growth, as well as small bolt-on acquisitions. Four small niche businesses have been identified as possible bolt-on acquisition targets by the Group's existing operational platforms and negotiations are currently underway.

**“We stand at the threshold of an exciting and rewarding phase of development in our Group, as we strive to become a leading international engineering and construction firm, known for excellence in all that we do.”**

## 4. Enhance Market Valuation and Positioning

Murray & Roberts intends to reposition its brand in the minds of shareholders and other stakeholders and to enhance its market valuation. The Group is engaging with its stakeholders to improve their understanding of 'the Murray & Roberts' that has emerged from its Recovery & Growth years. Murray & Roberts is not only a local construction company, but rather a diversified international project engineering, procurement and construction group, focused on selected natural resources market sectors.

## 5. Enhance the Safety, Performance and Diversity of our People

Murray & Roberts has established systems and processes that provide a strong foundation for the management of safety, people performance and transformation. 2015 will be a year of consolidation in which audits and peer reviews will be undertaken to ensure that the initiatives implemented in recent years to improve our safety performance are well established at our operations.

There will be a much stronger focus on leadership development and project management training in 2015, with the Baobab Learning Centre at the corporate office playing a key role in facilitating this new training drive.

Improving employee relationships and employment equity will be key focus areas that will gain more momentum. The recently developed employee relations framework, currently being implemented in the South African-based Energy & Industrial operations, will be extended to other operations.

## 6. Deliver Project and Commercial Excellence

There will be ongoing and increasing focus in all operations to enhance our project delivery performance, as well as our risk and commercial management practices. These are crucial requirements to succeed as an engineering and construction company and for the Group to achieve engineered excellence.

## A YEAR OF CONSOLIDATION

In the financial year ahead, the Group will focus on consolidating the strong base for future growth that it has established through the successful delivery of its Recovery & Growth strategy.

“We congratulate and thank our Board, the executive team and all of our employees for their contribution to the successful completion of our three year Recovery & Growth strategy. We stand at the threshold of an exciting and rewarding phase of development in our Group, as we strive to become a leading international engineering and construction firm, known for excellence in all that we do,” concludes Laas.



# RECOVERY & GROWTH STATUS ACHIEVED:

- Strong financial position – solid balance sheet and strong cash position
- Clear focus on engineering and construction achieved through disposals and acquisitions
- Strong portfolio of companies active in selected growth markets – a foundation for future growth
- Sound strategic plan that has delivered on short-term objectives and will continue to drive future growth
- Commercial close-out of the GPMOF major claim in Australia

# CLOUGH EXTENDS ITS REACH

Clough, a wholly owned subsidiary of Murray & Roberts, has been awarded new projects in the power sector in Australia and recently established a presence in Scotland and the US to extend its global reach.

## NEW PROJECT AWARDS

### Rio Tinto Power Station Contract

Clough has been awarded a contract for the engineering, detailed design and provision of procurement services for the Rio Tinto Cape Lambert Power Station project.

Clough will undertake the detailed design of the facility which includes a 130MW combined cycle power station comprising two dual fuel DLE GE LM6000 gas turbines, waste heat boilers, and a steam turbine, air cooled condenser.

Plant specification services will also be provided for associated balance of plant systems, including water treatment facilities, fuel condition, condensate processing, and plant air systems.

Clough's Executive Vice President, Oil & Gas Australia & PNG, Max Bergomi says Clough will draw on extensive value improvement expertise to optimise the cost outcomes for the project.

"Clough has a history of successfully deploying Value Improvement Practices (VIP) on Australian projects in greenfield and brownfield environments, and has committed to implementing VIP across the entire project life cycle."

The contract is scheduled to be completed over a period of 12 months.

# CLOUGH ENTERS US GAS MARKET

Clough has acquired US-based CH-IV International, a boutique engineering company, for US\$5 million.

CH-IV is highly regarded in liquefied natural gas (LNG) concept, front end engineering and design (FEED), detailed design and owner's engineering arena, with capabilities and credibility across micro, mid-scale and large-scale LNG.

Henry Laas, Group CE of Murray & Roberts comments: "This acquisition is part of our strategy to grow the Group's engineering capability in the operating platforms that are focused on the natural resources market sectors and this will be achieved through organic growth as well as small bolt-on acquisitions."

CH-IV will bolster Clough's LNG engineering, jetties & terminals, commissioning and brownfields capabilities and it brings strong LNG process and operational capabilities. Its presence and expertise in the more developed US small and mid-scale LNG and shale gas markets will facilitate entry into these markets for Clough, as they develop globally.

Clough MD, Kevin Gallagher comments: "This acquisition holds strategic importance in enabling Clough's expansion plans and aligns with our strategy to build a globally competitive business to offer services to our global oil & gas clients."

The North American LNG market has a strong outlook with good growth predicted from the burgeoning shale gas industry. CH-IV is an established technical leader involved in 15 of the 22 current US LNG export projects and trusted by blue chip clients.

## GLOBAL EXPANSION

## Scottish operating centre gives Clough global reach



Nicola Sturgeon with Kevin Gallagher

Clough has expanded its global footprint with the opening of an operating centre in Glasgow, Scotland.

The centre will support Clough's engineering-led international expansion into the Europe, Middle East and Africa (EMEA) region, while delivering 24-hour support to projects in Australasia.

The centre positions Clough to take advantage of new opportunities. "Scotland was selected as the most attractive location for Clough to establish its new operating centre due to its access to world class technical universities and highly experienced engineering resources, combined with its proximity to clients and opportunities in the North Sea, Europe, Middle East and Africa," says Kevin Gallagher, MD and CEO of Clough.

The establishment of the centre has received strong support from the Scottish Government and was officially opened by Deputy First Minister Nicola Sturgeon, who praised the company's global track record.

The Scottish operating centre will provide a range of high value services, including engineering, project management, commissioning and operations and maintenance services.

## A decade of excellence

Cementation celebrated its 15th anniversary in 2013 and 2014 marks a decade with Murray & Roberts.

**Cementation has been recognised as one of the top 100 employers in Canada for seven consecutive years and Cementation USA is recognised as an employer of choice and one of the fastest growing companies in the state of Utah.**

Cementation USA recently reached a significant safety milestone (see page 15) – an achievement made even more remarkable considering the complexity of the work that it accomplishes daily, comments Cementation USA President, Justin Oleson.

The operation is currently sinking three shafts in the US, ranging from a challenging winze project going to a depth of 8 800 feet in Idaho, a blind sink shaft in an entirely new mining district in Nevada, to a 28 foot diameter shaft approaching a depth of nearly 7 000 feet in Arizona.

"We are rehabilitating historic ground in Michigan to give it new purpose, while also stabilising a tunnel over a moving conveyor that transports an entire mine's revenue stream in Utah. We are bringing the newest hardrock mine in the US into production in Michigan, while also completing difficult development underneath one of the world's largest open pits in Utah."

Cementation Canada is involved in production development work at the Diavik Diamond Mines, Northwest Territories, in joint venture with Inuit partner, Kitikmeot Corporation. Cementation is the managing partner and has been on site since 2005. Cementation Canada has been issued a Letter of Intent by Compass Minerals to carry out shaft rehabilitation and upgrades on two mineshafts at the client's mine in Goderich, Ontario. The Letter of Intent will allow engineering on the work to commence while a contract is finalised.



The Nickel Rim South production and service shafts in Ontario, Canada, were underway when Murray & Roberts acquired Cementation Canada in 2004. The shafts were sunk simultaneously and with zero-lost time injuries

## Murray & Roberts Marine joins Oil & Gas Platform

Murray & Roberts Marine has been consolidated into the Oil & Gas operating platform, joining Clough's Jetties and Near Shore Marine division.

Clough is a leading engineering and construction company in the Australasian oil & gas market sector and it also delivers marine projects such as ports and harbours, terminals, jetties, near shore pipelines and other coastal structures, similar to the service provided by Murray & Roberts Marine. By consolidating the engineering capability of Murray & Roberts Marine with Clough's construction capabilities, Murray & Roberts has streamlined its marine service offering.

Andy Fanton will continue to lead Murray & Roberts Marine from its Cape Town base.



Andy Fanton

# OPERATIONS FLEX

## NEW PROJECT AWARDS

# De Beers' Venetia underground diamond mine

Murray & Roberts Cementation recently secured its first major contract at De Beers' Venetia underground diamond mine project which will utilise capacity from the Group's global mining business in South Africa, Australia and Canada.

The R2,6 billion award is the first of a series of potential awards to Murray & Roberts Cementation by De Beers to build its multi-billion rand underground mine beneath the operating open pit diamond mine.

"This award by De Beers secures Murray & Roberts Cementation's first major award at Venetia. The planned total investment by De Beers at Venetia potentially represents the single largest opportunity to Murray & Roberts since the Eskom power build programme," says

Murray & Roberts Group Chief Executive Henry Laas.

The scope of works comprises the building of an entire underground mine, which includes the sinking, equipping and commissioning of a decline shaft and two vertical shafts, horizontal tunnel development to provide access to, and the establishment of, loading levels, as well as associated ventilation, ground and water handling infrastructure.

"This is a flagship project for Murray & Roberts and our local project team has been complemented with project management and operational capacity from our Cementation mining companies in Australia and Canada, demonstrating the breadth of capability and experience available in our Group. The more advanced Canadian shaft-sinking methodology will be utilised for sinking the vertical shafts and Cementation Canada, which is recognised as a leader in applying this methodology, will be providing specialist training of the shaft-sinking crews."

Venetia is currently an open pit mine and South Africa's largest producer of diamonds, contributing 40% of the country's annual production. The mine is in Limpopo Province in the northeast corner of South Africa.

"The Canadian shaft-sinking model is designed for all activities in the shaft-sinking production cycle to be undertaken in-line. Although good sinking rates are possible with this methodology, the primary drive in the transition to this methodology is improved safety, as no concurrent shaft-sinking activities are required," concludes Laas.

Venetia is currently an open pit mine and South Africa's largest producer of diamonds, contributing

# 40%

of the country's annual production.



# THEIR MUSCLE

## CONTRACT AWARD IN QATAR

**Murray & Roberts Middle East, with local partner Butec, has been awarded an estimated US\$60 million contract for the design and build of a research and technology centre at Qatar Science & Technology Park in Education City.**

Known as the Tech 4 Building project, the contract is the first awarded to Murray & Roberts in Doha, Qatar since it completed the Khalifa Sports Stadium in joint venture with Athens-based Consolidated Contractors Company (CCC) in 2005. It involves the design and construction of Phase 2 of the technology and workshop facility campus for the Qatar Foundation for Education, Science and Community Development. The project commenced on 15 June 2014 and is expected to be completed in the fourth quarter of 2015.

Education City is located on the western outskirts of Doha and includes the Sidra Medical & Research Centre and a number of branch campuses from renowned international universities, including Northwestern, Carnegie Mellon, Weill Cornell, Georgetown and Texas A&M.



## A new force in infrastructure development

Concor Civils and Concor Roads & Earthworks have been integrated into a new business, Murray & Roberts Infrastructure.

**The integration process was completed in July and Eric Wisse, former MD of Concor Roads & Earthworks will head up the new business.**

The two operations have completed many projects together and combined they will offer the market a broad range of civil infrastructure development capabilities for public and private sector clients, building on 66 years of combined experience.

Commenting on the development, Jerome Govender, Murray & Roberts Group Executive responsible for the Infrastructure and Building platform said: "Synergising capabilities from both divisions will not only strengthen our position in the market, but also provide existing and potential clients with a single point of contact."

The Infrastructure and Building platform offers a full spectrum of engineering and contracting services, from civil and building construction, roadworks and earthworks, to engineering and open-cast mining.

## MINE WATER TREATMENT PROJECT IN GHANA

**Murray & Roberts Water, partnering with technology provider Miwatek, has been awarded a contract by a blue chip mining client in Ghana to undertake basic engineering design and pilot testing at one of its operations in Ghana.**

Work on the contract has commenced and will run to April 2015.

Murray & Roberts Water, established in 2012, is a water treatment and management company that operates in the mining, industrial and municipal sectors of sub-Saharan Africa. It focuses on design, build, commissioning and operation & maintenance of mine water, sea water desalination, waste water re-use and industrial water treatment plants.

"Key to the company securing this project for this particular client is the strength of the Murray & Roberts brand in sub-Saharan Africa, our proven project execution capability in remote African locations and our flexibility to unite core expertise in the industry. This contract also provides us with an opportunity to follow our preferred business model of early stakeholder engagement, to find optimal technical and commercial solutions, that fulfil the agreed project objectives," says Harry Singleton, Operations Executive, Murray & Roberts Water.

# TRANSFORMATION: A COMPETITIVE ADVANTAGE?

While broad-based transformation and employment equity are moral, social and legal imperatives, they are also economic imperatives that have a direct impact on the sustainability of South African businesses.

**“We know that meaningful socio-economic transformation is essential to the future viability of South Africa, especially in relation to the levels of social and economic inequality that persist in the country,” says Andrew Skudder, Sustainability Director of Murray & Roberts.**

As a corporate citizen and leader in the engineering and construction economy, Murray & Roberts is committed to contributing to a sustainable future for South Africa through its core purpose of delivering infrastructure to enable economic and social development in a sustainable way.

The Group has achieved commendable progress in transforming all elements of its business – and this is reflected in its level 2 BBBEE rating.

## OWNERSHIP

Murray & Roberts has black share ownership of 45,5% in terms of the construction charter, which includes the Letsema broad-based share scheme initiated in December 2005 to facilitate true broad-based black economic empowerment shareholding, consisting of:

- the Letsema Sizwe Broad-Based Community Trust formed to benefit previously disadvantaged community groupings
- the Letsema Khanyisa Black Employee Benefits Trust to benefit qualifying black employees and their immediate families for education and compassionate needs
- the Letsema Vulindlela Black Executives Trust to benefit qualifying current and future black executives.

## MANAGEMENT CONTROL & EMPLOYMENT EQUITY

The Group's employment equity approach provides for equal opportunity and fair treatment in employment. While this enables compliance with South African employment equity legislation, Murray & Roberts emphasises diversity to maximise its talent pool, strengthen capacity and increase innovation by introducing different ways of thinking. An Employment Equity Framework with stretch targets has been adopted



Employees of Leeu Transport. The company is part of Murray & Roberts' Enterprise Development Programme

and will be rolled out in FY2015. The objective of the Employment Equity Framework is to drive rapid transformation with the aims of recruiting and promoting a significant number of historical disadvantaged South African (“HDSA”) candidates, developing and achieving stretch employment equity plans, accelerated HDSA development and retention and affirming accountability for transformation with all leaders. 75% of South African-based employees are black, while 10% of all employees are women. Approximately 60% of all levels designated as management in the domestic market are black, and 12% women.

## SKILLS DEVELOPMENT

Murray & Roberts provides a wide range of training, learning and career development opportunities for its people. In the 2014 financial year, investment in formal employee training and development was approximately R259 million globally. In South Africa, R65 million was spent on training and development, 67% of which was spent on black employees.

The Group plays a leading role in addressing the skills deficit in South Africa through public sector initiatives, including the requirements of the Accelerated and Shared Growth Initiative for South Africa that govern its involvement in the power generation projects, particularly the Eskom power programme.

## PREFERENTIAL PROCUREMENT

Murray & Roberts is committed to the principle of supporting local economic development in the economies within which it operates with the aim of supporting Government and client localisation strategies.

The Group has made a significant investment in its plant and equipment over the past three years with a cumulative capital expenditure of more than R3,0 billion. This investment has created more jobs both directly and indirectly and provides a platform for future growth and economic development. Verified preferential procurement as a percentage of total procurement spend increased to 79% of the South African operations'

procurement expenditure of approximately R8,5 billion. Procurement from black women-owned suppliers improved significantly over the past several years to R714 million per annum respectively.

### ENTERPRISE DEVELOPMENT

Considering that Murray & Roberts subcontracts between 70% and 80% of its building work, the company's Enterprise Development Programme holds tremendous possibilities to sustain and grow many smaller and developing contractors. Murray & Roberts currently supports 24 partners.

The extent of this programme spans financial support through direct funding, early payment and preferential credit terms, as well as extensive mentoring and business support assistance. The Group also provides business management and technical support to help build capacity and expertise.

The total value of enterprise development initiatives across the Group was R71,8 million in 2013.

### SOCIO-ECONOMIC DEVELOPMENT

Murray & Roberts has a long track record as a good corporate citizen. For more than 50 years, the Group has engaged in social upliftment activities aimed at redressing inequalities of the past, while simultaneously supporting developmental objectives needed to sustain economic growth in the future.

The Corporate Social Investment, the Letsema Sizwe Broad-Based Community Trust and the Letsema Khanyisa Black Employee Benefits Trust programmes serve as the conduits through which Murray & Roberts engages in community development and realises its goal of positively impacting on individuals, its employees and communities. The programmes are aligned with the overall business strategy, focusing on development in the core areas of mathematics, science and technology education and support for women's empowerment, youth development, supporting people living with disabilities, orphans and vulnerable children, and promoting high-performance sports development.

### LOOKING TO THE FUTURE

While significant progress has been made to transform our society and economy in the first 20 years of democracy in South Africa, imbalances and inequalities still exist. Murray & Roberts is committed to the ideal of improving the quality of life of all South Africans and will continue to use its resources where it can make the most impact in achieving these goals, as true transformation can only come from a culture and attitude dedicated to building a sustainable industry and economy together.

### A PARTNERSHIP TO EMPOWER AND SUSTAIN COMMUNITIES

Limpopo is one of the poorest provinces in South Africa; it has a high rate of unemployment and a large community of unskilled workers.

It was against this backdrop that Murray & Roberts decided to invest R27 million in a 6 000m<sup>2</sup> artisan training centre in Lephalale, close to the company's operations at Medupi Power Station.

The training centre is providing skills to over 700 people from the local community who will become artisans skilled in rigging, welding and a number of other skills critical to the construction of Medupi.

It is a partnership between Murray & Roberts, the FET College in Lephalale, Gijima AST, which provides training, and the merSETA. Training at the centre is based on the Accelerated Artisan Training Programme (AATP) module which was introduced by the merSETA to address the skills shortage in the country. The course consists of 26 weeks of institutional training at the Tihahlong Centre, followed by workplace experience at Medupi. Once completed, workers have access to a nationally recognised certificate of competency.

As the lifespan of a project is finite, local unskilled and semi-skilled workers at Medupi also have access to training programmes that prepare them for life beyond the project.

## Stephina van Rooyen: Woman of steel

**Stephina van Rooyen is in a fortunate position, but not one she takes for granted. She is a beneficiary of Murray & Roberts' Enterprise Development Programme (EDP) that has helped her build her business into a more stable, sustainable women-owned construction enterprise.**

**"Being a woman in the construction industry is not easy," she says. "I would not have been able to get this far without this support. Most of my friends who started in construction have failed, but thanks to the lessons I have learned about their experiences and the advice I receive from my mentors at Murray & Roberts, I have managed to prevail."**

**Stephina entered the industry with no experience. She completed a brick-laying course in 1997 and has consistently upgraded her skills. Today she is a Grade 3 member of the Construction Industry Development Board, registered with the South African Federation of Civil Engineering Contractors and a member of the National Association of Women in Construction.**

**As a participant in the Murray & Roberts EDP, Stephina has access to professional advisory skills and mentoring that have helped her build a sustainable business.**

**Stephina partnered with Murray & Roberts in 2000 and has been involved in numerous road and steel construction projects since. The most prestigious of these was as one of the subcontractors on the Sandton Gauteng station.**

**Not satisfied with resting on her laurels and letting her larger partners take all the responsibility of developing the sector, Stephina is actively involved in developing other emerging women in construction. "We need more women in the industry, but they must have a passion for it and they have to be hands-on. It is a tough industry to be in and women must not be ashamed to participate in it," she says.**



# MEDUPI LEADERSHIP INITIATIVE: FIRST ANNIVERSARY

The Medupi Leadership Initiative, established to provide employment opportunities for workers after completion of the Medupi power station project near Lephalale, has celebrated its first year of operation.

Murray & Roberts actively supports the Medupi Leadership Initiative (MLI) launched by Eskom as a partnership between Eskom and the Medupi contractors in 2013 to address the

challenge of sustainable employment around the power station.

During the past financial year, Murray & Roberts has undertaken leadership and financial responsibility

for two programmes within the MLI, namely the Life Skills Training project and the Drylands Project. The collective expenditure for these two programmes was R4,4 million during the year.

The collective expenditure for these two programmes was

# R4 400 000

during the year.

## 1. LIFE SKILLS TRAINING

The Life Skills Training aims to empower Medupi employees as well as local community members with skills focused on financial literacy and managing change. Two programmes have been implemented since the inception of the MLI:

- Financial Literacy
- Drive Your Life

The Life Skills project has been underway for over a year and Murray & Roberts has provided R1,1 million in funding for management, implementation and direct training costs.

By 30 June 2014, over 10 000 people had participated in the life skills training opportunities.

By 30 June 2014, over

# 10 000

people had participated in the life skills training opportunities.



Promoting sustainable land management and developing a bio-diverse, rural

## green economy

## 2. DRYLANDS PROJECT

The Drylands Project aims to provide jobs for employees and community members in projects that are focused on improving the natural environment, promoting sustainable land management and developing a bio-diverse rich, rural green economy. Job opportunities are classified into three primary work streams:

- Working on Fire
- Working for Ecosystems
- Working for Wildlife

Murray & Roberts funded R3,3 million in support of the Medupi Drylands Project and implementation of the project commenced early in 2014 with the completion of recruitment for the work streams. Training has commenced and job placement and land restoration activities will be in full swing by June 2015.

## PEOPLE



# Q&A

**Annalie Woest (50), Qualifications: B Juris LLB**

**Annalie Woest was appointed Regulatory Compliance Manager of Murray & Roberts with effect from 1 December 2013. Her previous experience includes working as state advocate at the Office of the Chief State Law Advisor and working as Specialist: Forensic Investigations at Sasol.**

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

The highlight of my career is most definitely being appointed as Regulatory Compliance Manager at Murray & Roberts – I found my niche! This position allows me an opportunity to make a positive contribution, based on experience gained over the years as a lawyer and specialist forensic investigator at an international integrated company.

**What are the most important areas you are currently focusing on in your role at Murray & Roberts?**

As the Group's designated compliance officer, I am inter alia the custodian of the Regulatory Compliance Programme, applicable throughout the Group's global operations, and King III, stipulating specific principles to be complied with regarding corporate governance in South Africa.

My primary duties include:

- Overseeing and monitoring implementation of the Regulatory Compliance Programme
- Ensuring compliance with current laws, rules, codes, standards and the Group's Ethics Framework
- Notifying relevant employees of the implementation of applicable laws, rules, codes and standards, and amendments thereto

- Identifying possible areas of fraud, bribery, corruption, anti-competitive behaviour and mismanagement within the businesses
- Investigating and /or initiating investigating activities related to compliance
- Ensuring that service providers, including contractors, vendors and agents, are aware of the Group's Ethics Framework and compliance therewith
- Conducting training regarding the Group's Ethics Framework, encouraging reporting of non-compliance with the Statement of Business Principles to management or through the Tip-Offs Anonymous system.

**What are your main interests after-hours?**

As a former Porsche racing driver, no denying that I am quite an adrenalin junkie – but there are rules: no jumping out of an aeroplane if nothing is wrong with the motor! I have always been passionate about cars and still make an effort to regularly have fun on the race track.

I have always believed in the saying: healthy body, healthy mind. Training not only makes me feel good, it helps me manage stress more effectively.

Lastly but certainly not least, I enjoy spending quality time with my kids: Ulandi (second year BVSc) and Gerhard (first year LLB).

## Mandela Day

A group of 20 volunteers from the Murray & Roberts Corporate Office built a wendy house for the children of the Abraham Kriel Childcare Home in Soweto on 18 July. The home provides shelter, care and rehabilitation for children from birth to age 18 who have experienced trauma, abuse, poverty or neglect.



## Safety milestones

**The Canadian and Australian operations in Murray & Roberts' Underground Mining platform have both achieved significant safety milestones.**

RUC Cementation Mining achieved a zero lost time injury frequency rate (LTIFR) and an improvement in total recordable case rate (TRCR) for a 12 month period from July 2013 to 31 July 2014, reflecting the operation's strong focus on safety in difficult operating environments.

On 8 July 2014, Cementation USA surpassed two million man-hours worked without a lost time injury, an important milestone in the operation's journey toward Zero Harm and injury free project execution. The achievement reflects strong teamwork, the fortitude to make safe decisions and a genuine concern for the wellbeing of everyone on project sites of Cementation USA.



## Farewell Roger Rees

**Roger Rees, the former chief financial officer of Murray & Roberts passed away in June.**

Roger developed his early career with Arthur Andersen in London and Johannesburg and also held financial leadership positions in the international food, tobacco and media sectors. Roger joined the

Murray & Roberts Group and was appointed to the Board in 2000. He retired from the Group in 2011 and resided in Cape Town with his wife.

We have extended our condolences to the Rees family and wish them well during this difficult time.

AWARDS

# Excellence in Integrated Reporting

Murray & Roberts was ranked in the “Excellent” category of the EY Excellence in Integrated Reporting Awards 2014.

The awards survey integrated reports from South Africa’s top 100 JSE-listed companies and top 10 state-owned companies. Their purpose is to encourage excellence in the quality of integrated reporting to investors and other stakeholders.

Participants are ranked according to a mark plan that is based largely on the Consultation Draft of the International <IR> Framework which provides a guideline for integrated reporting.



HUMAN CAPITAL DEVELOPMENT

## Australia’s brightest engineering minds awarded Clough scholarships

Clough maintained its commitment to attracting, nurturing and developing bright, young engineering talent in 2014 by awarding new scholarships to engineering students from the University of Western Australia (UWA).

The Clough Scholars programme, established by the son of founder Harold Clough in 1969, is conducted in partnership with the UWA and has awarded more than 200 scholarships to the brightest young engineering students in Western Australia. Past recipients include top government, business and resource industry leaders.

Each year, four scholarships worth A\$15 000 each are awarded to postgraduate students participating in the two-year Master of Professional Engineering degree. Two scholarships are awarded per year group, with two students selected in their penultimate year sponsored again in their final year, subject to academic performance.

This year two new scholars, Hugo Breakey and Scott List, joined a long and distinguished list of previous Clough Scholars, while last year’s winners Jessica Regan and Joel Valli had their scholarships renewed after continuing to deliver exceptional academic performance.





## BRANDING

## Clough agrees three-year sponsorship with Western Force

Clough has entered into a three-year partnership agreement with the Western Force. As part of the agreement, Clough will appear on the Western Force jersey.

“Clough’s sponsorship of the Western Force brings together two strong Western Australian organisations that are united in the pursuit of excellence,” said Kevin Gallagher, MD and CEO of Clough.

“We are delighted to extend our strong community programme through a partnership that targets grass roots through to elite level rugby. We look forward to developing a strong partnership with the Western Force, as they lay the foundations for future success.”

Rugby Western Australia (RugbyWA) CEO Mark Sinderberry welcomed the partnership with Clough saying it was pleasing to align with another Western Australian company. “We are proud to partner with Clough, who share our drive to grow rugby from grassroots through to the Western Force. Their support is integral in helping our club reach our goals and vision of success, and we look forward to working with them to achieve their business objectives.”



## AWARDS

## Impilo Yethu wins Gold Quill Award

*Impilo Yethu*, the comic series Murray & Roberts distributes internally to communicate important health, safety and environment messages, has been awarded a prestigious Gold Quill Award in the 2014 programme.

Gold Quill is one of the flagship programmes of the International Association of Business Communicators (IABC), a professional network of more than 15 000 business communicators. A Gold Quill Award is considered to be the highest accolade in the global business communication environment.

Murray & Roberts was awarded in the safety communication category, competing against more than 800 entries from across the world. Panels of trained evaluators, all IABC members and professional communicators, scored entries.

Representatives from the *Impilo Yethu* editorial committee receive the Award



# Authentic experience



**Tau, a South African luxury safari lodge situated on the far northern border of South Africa, in malaria-free Madikwe Game Reserve, is the 4th largest game reserve in the country. Enjoy an authentic South African safari vacation in the midst of natural wildlife (27 major species of game roam the reserve), complete with great game viewing and luxury private facilities. Tau is a romantic as well as family-friendly destination, whilst offering professional conference as well as team-building facilities.**

Says Renate Oostmeijer, Reservations and Marketing Manager for Tau: "Our team strives to provide guests with an unforgettable safari experience, with the emphasis on an authentic bush getaway, yet in comfortable and convivial surroundings. It is a

well-known fact that Madikwe offers the game viewing experience of a lifetime, ranging from the Big Five to smaller game, such as the endangered African Wild Dog, of which numbers have remained stable in the region for many years. Our lodge design takes game viewing up a further notch by making the most of the waterhole in full view of our hospitality as well as most room decks, where guests tend to wax lyrical about game sightings on their doorstep."

Tau has redecorated and upgraded its five-star facilities over the years to ensure local as well as international visitors return time and again. The lodge launched its eco-friendly Tau Spa Oasis five years ago, whilst the Tau Cubz Club has proved a delight for children.

# bush



TOTAL VALUE:  
**R14 400**



Recent visitors to Tau Game Lodge in the Madikwe Reserve have taken the time to post comments of their delightful experiences at the five-star safari destination on TripAdvisor, viewed by thousands of discerning global travellers as a sought-after forum on which to share their most memorable travel experiences.



Contact Tau Game Lodge at: Phone +27 (0)11 466 8715 email [taugame@mweb.co.za](mailto:taugame@mweb.co.za) or view at [www.taugamelodge.co.za](http://www.taugamelodge.co.za)

## PRIZE details are:

Two nights for two adults sharing, including three meals daily and two safaris daily.

Summer rates start from R3 300 up to R3 600 per person sharing per night, including three meals daily as well as two safaris daily, or R4 320 single rate.

### ENTRY FORM: ROBUST/TAU SEPTEMBER 2014 COMPETITION

Answer the easy question, complete the entry form and send to Murray & Roberts Competition, PO Box 1151, JHB 2000 – to reach us before 28 November 2014. You can also fax to +27 (0)11 646 6040 or e-mail [competitions@profpart.com](mailto:competitions@profpart.com) (remember to put Murray & Roberts Competition in the subject line).

Name: \_\_\_\_\_

Phone number: \_\_\_\_\_

Question: Which Australian Rugby team is sponsored by Clough? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\* Strictly one entry per person

**Murray  
& Roberts**

# TIP-OFFS ANONYMOUS

## IF YOU'VE WITNESSED:

- Fraud
- Corruption
- Bribery
- Harassment
- Blackmail
- Discrimination
- Theft
- Abuse of company materials or procedures
- Assault



You need to report it by calling  
**TIP-OFFS ANONYMOUS** on  
**0800 003 246** or emailing  
***murrob@tip-offs.com***

*ALL tip-offs are strictly confidential,  
so your identity will be kept a secret.*

Please use the tip-off line responsibly and only report **SERIOUS** misconduct.



**Stop.  
Think.  
Act.  
24/7**