



Five Year Review

1999/2000

Murray & Roberts records its worst year ever. Market capitalisation drops to a low of R650 million, down 94% from its high of R10 billion just four years previously. Problems from its investment in wheels business AWI and other non-core operations drain cash and energy from the Group.

Brian Bruce is appointed chief executive elect following an extensive international search. He presents Rebuilding Murray & Roberts as the blueprint for a fundamental turnaround and transformation of the Group over the next five years.

The Group records its worst ever financial results, with impairments and provisions totaling more than R700 million, almost two-thirds of market capitalisation.

2000/2001

Roger Rees is appointed group financial director. Early actions include the creation of a task team to resolve the headlease challenge and closure of AWI Canada.

Keith Smith is appointed group executive director. He formulates a plan to build new capacity and value in non-contracting operations. Sean Flanagan is appointed an executive director and other executive appointments herald a thorough strategic review that identifies impediments to future development.

A rationalisation process improves operational efficiency and corporate effectiveness and starts to break down barriers within the

organisation. A programme of disposals is established and acquisitions include Booker Tate and JCI Capital Projects.

The first performance rewards of Rebuilding Murray & Roberts are delivered with a return to profitability exceeding performance targets and operating margins boosted by more than 100%. Growth in shareholder value reflects the market's improved confidence in the Group, its leadership team and new strategy. Our non-negotiable commitment to sustainable earnings growth and value creation is established.

2001/2002

Murray & Roberts celebrates 100 years as a leading South African business.

Unitary Murray & Roberts takes greater effect, underpinning consolidation of the corporate office and directing the way forward based on common values and the application of a universal business model in the management of risk.

A series of corporate-driven interventions is introduced to unlock inherent potential in the Group, including a review of the corporate office and operations, development of an enterprise-wide strategy for group procurement and logistics, an audit of group-wide enterprise systems, infrastructure and skills capacity, a targeted plan for leadership mentoring and a review of remuneration practice across the Group.

A new brand identity is adopted consistent with the strategic changes underway.

In the two years since the introduction of Rebuilding Murray & Roberts, shareholder value has grown by R2 billion, underpinned by an increase



in net asset value of more than R900 million off an improvement of more than 400% in operating profit and an increase of over R1 billion in cash resources.

2002/2003

Stephen Pell is appointed an executive director. Leadership development and mentoring is extended into some operations and performance targeting becomes entrenched in the thinking and planning of the Group. World best practice is benchmarked in all market sectors and interventions are made into operations not delivering to expectation.

Murray & Roberts participates as a sponsor in the 2002 World Summit on Sustainable Development as an expression of its commitment to sustainable development.

Millard Arnold is appointed an executive director, introducing commercial leadership into the Group. An enterprise-wide risk management protocol is introduced to ensure that risk management takes place on a continuous and effective basis.

The Group powers through the third year of Rebuilding Murray & Roberts in a volatile currency market and a slowing global economy. Financial performance is ahead of market expectation and represents a material increase in earnings per share from real growth in revenues and a further improvement in profit margins.

“The destination is our point of departure” defines a systems approach to the strategic development and performance targeting of the Murray & Roberts business model.

A “Murray & Roberts Way” of business is developed to promote the delivery of sustainable value and market consistency in any business environment and the mobility of our people across all of our companies based on a common business language.

An empowerment partnership is established with J & J Group.

2003/2004

The Group experiences mixed fortunes in its different markets throughout the year. Currency volatility impacts negatively on financial results. Performance problems with certain contracts in Africa and the Middle East require intervention and rationalisation.

Disappointing financial results are down 15% on the previous year although market value is improved more than 15% through the year.

Terry Rensen and Norbert Jorek are appointed executive directors. Acquisition of the Cementation mining business in South Africa and Canada is engaged and finalised subsequent to year-end. Further disposals eliminate small and non-core operations from the Group.

Roy Andersen is appointed chairman of the Board and Martin Shaw chairman of the audit & risk management committee. Globalising Murray & Roberts is established as the new strategic framework for future growth and development in the Group.

The final year of Rebuilding Murray & Roberts lies ahead, with a solid platform now established for sustainable earnings growth and value creation.