



From left to right: 1. Boetie van Zyl 2. Terry Rensen 3. Saki Macozoma 4. Willie Esterhuysen 5. Brian Bruce 6. Roy Andersen 7. Millard Arnold 8. Martin Shaw 9. Tony Routledge 10. Roger Rees 11. Stephen Pell 12. Eddie Funde 13. Norbert Jorek 14. Craig Lawrence 15. Sean Flanagan and 16. Keith Smith.

Group Directorate and Executive Committee

Non-executive directors

Roy Cecil Andersen (56) *CA(SA) CPA (Texas)*

INDEPENDENT CHAIRMAN

Trustee of the International Accounting Standards Committee Foundation, chairman of Sanlam Limited and a member of the King Committee on Corporate Governance.

Appointed to the Board in 2003.

Appointed chairman in 2004.

Willem Petrus Esterhuysen (68) *DPhil*

INDEPENDENT

Director of Medi-Clinic Corporation Ltd.

Professor in Business Ethics, Stellenbosch University. Appointed to the Board in 1990.

Sonwabo Edwin Funde (61) *MSc Eng (Elec)*

INDEPENDENT

Director of Eskom Holdings Ltd, chairman of SABC, director of National Institute for Economic Policy and president of South African Communications Forum.

Appointed to the Board in 2000.

Sakumzi Justice Macozoma (47) *BA*

INDEPENDENT

Chairman of Stanlib Ltd and deputy chairman of Standard Bank Group Ltd. Chairman of the Council of Higher Education. Director of Safika Holdings (Pty) Ltd, VW South Africa (Pty) Ltd, New Africa Investments Ltd and Liberty Holdings Ltd.

Appointed to the Board in 2001.

Anthony Adrian Routledge (57)

BCom CA(SA)

INDEPENDENT

Appointed to the Board in 1994.

Martin John Shaw (65) *CA(SA)*

INDEPENDENT

Director of Illovo Sugar Ltd, JD Group Ltd, Liberty Holdings Ltd, Pretoria Portland Cement Company Ltd, Standard Bank Holdings Ltd, Standard Bank Group Ltd and Reunert Ltd.

Appointed to the Board in 2003.

Johannes Jacobus Marthinus

(Boetie) van Zyl (64) *PrEng BSc Eng (Mech)*

INDEPENDENT

Director of Naspers Ltd, Sanlam Ltd and MIH Holdings Ltd. Director of Peace Park Foundation.

Appointed to the Board in 1998.

* *David Brink retired as chairman on 31 December 2003.*

* *Brigalia Bam and Peter Joubert retired on 30 June 2004.*

* *Allen Morgan resigned on 26 July 2004.*

* *Dr Namane Magau and Michael McMahon were appointed to the Board on 8 September 2004.*

Executive directors

Brian Cameron Bruce (55)

PrEng BSc Eng (Civil)

GROUP CHIEF EXECUTIVE

Director of Unitrans Ltd and The Cementation Company (Africa) Ltd. Chairperson of the Construction Industry Development Board. First joined the Group in 1967.

Appointed to the Board and group chief executive in 2000.

Roger William Rees (51)

BSc (Econ) Hons FCA

GROUP FINANCIAL DIRECTOR

Director of Unitrans Ltd and The Cementation Company (Africa) Ltd.

Joined the Group and appointed to the Board in 2000.

Keith Edward Smith (54) *BCom*

GROUP EXECUTIVE DIRECTOR

Joined the Group in 1980 and appointed to the Board in 2001.

* *Norbert Jorek was appointed to the Board on 8 September 2004.*

Company secretary

Millard Walter Arnold (57) *(Acting)*

BA (Political Science), Juris Doctorate

Appointed to the board in 2003.

Murray & Roberts Limited

(main operating company of the Group)

Brian Cameron Bruce (55)

PrEng BSc Eng (Civil)

CHAIRMAN AND MANAGING DIRECTOR

Appointed to the board in 1998.

Millard Walter Arnold (57)

BA (Political Science), Juris Doctorate

EXECUTIVE DIRECTOR – COMMERCIAL

Appointed to the board in 2003.

Sean Joseph Flanagan (45) *BSc (Building)*

EXECUTIVE DIRECTOR – OPERATIONS

Appointed to the board in 2001.

Norbert Jorek (39) *Dipl-Kfm, MBA*

EXECUTIVE DIRECTOR – CORPORATE STRATEGY

Appointed to the board in 2004.

Craig Vaughn Lawrence (45)

BCom (Industrial Psychology)

EXECUTIVE DIRECTOR – HUMAN CAPITAL

Appointed to the board in 2004.

Stephen David Pell (46)

BSc (Building Management)

EXECUTIVE DIRECTOR – OPERATIONS

Appointed to the board in 2002.

Roger William Rees (51)

BSc (Econ) Hons FCA

GROUP FINANCIAL DIRECTOR

Appointed to the board in 2000.

Terence William Rensen (57) *CA*

EXECUTIVE DIRECTOR – CORPORATE SERVICES

Appointed to the board in 2004.

Keith Edward Smith (54) *BCom*

GROUP EXECUTIVE DIRECTOR

Appointed to the board in 2000.

International

* *Peter Richard Adams* (56) *FRICS*

Executive Director – Murray & Roberts International Limited

Chairman Statement



Dear Shareholder,

It is a pleasure for me to present an overview of Murray & Roberts in my first report to shareholders as chairman of the Group. As I reflect over the past year, the last half of which has been as chairman, I am struck by the resilience Murray & Roberts has demonstrated in difficult market conditions and by the opportunities that lie ahead.

A steady level of domestic economic activity has ensured some stability in the Group's annuity type operations. These include construction materials and services and the contract freight operations of Unitrans. Indirectly, Murray & Roberts has benefited from the strong performance of the domestic consumer retail sector through its investment in Unitrans and its motor retailing business.

However, in its core construction markets, particularly in the international arena, Murray & Roberts has struggled to deliver the correct balance between risk and reward. The group chief executive has devoted most of his time during the year to this sector, working to stabilise the impact of mainly historic project problems in Africa and the Middle East. He has installed fresh operations leadership where necessary and imposed greater discipline into the early risk-related activities of work identification and project procurement.

The audit and risk management committee has reviewed all problem operations and projects and has endorsed the conservative project revenue recognition policy continued by management at this year-end.

For the first time in many years the domestic and regional construction markets offered consistent opportunity and the Group was able to secure and implement a number of successful building projects. There has been a significant decline in the level of investment in mining and industrial expansion during the year which is reflected in the reduced order book and the decline in construction operating margins.

Once a board decision had been reached on the principles of the future strategic direction of the Group, it became imperative to bring finalisation to the problems impacting on our international operations. In his report to stakeholders, the group chief executive has detailed the actions he and his executives have engaged in evaluating international markets and projects and the extent to which the forward risk profile of underperforming projects has been reduced.

Strategy

In accepting chairmanship of Murray & Roberts I endorse the turnaround and transformation of the Group as a strategic imperative. Rebuilding Murray & Roberts was introduced in July 2000 as the framework for this process over the five years to June 2005.

Although there is disappointment with the performance of the Group in the year to 30 June 2004, the Board considers the financial result as a prudent reflection of the Group's turnaround status in this fourth year of Rebuilding Murray & Roberts.

Our strategic focus has shifted gear in the year with the introduction and approval of Globalising Murray & Roberts as the growth strategy to re-energise our non-negotiable commitment to sustainable earnings growth and value creation. Building on the fundamental principles of Rebuilding Murray & Roberts, this strategy will extend the solid performance platform established over the past four years.