

Globalising Murray & Roberts

MURRAY & ROBERTS INTERNATIONAL ADVISORY BOARD



Roy Andersen



Campbell Anderson



Brian Bruce



Sir Alan Cockshaw



Reuel Khoza



Sean Flanagan



Norbert Jorek



Roger Rees



Keith Smith

Globalising **Murray & Roberts** brings **best-in-class** benchmarking into our Group as a means of underpinning our **strategic commitment** to sustainable earnings **growth and value creation**, and the leverage of **our capabilities** into new geographic regions and growth markets through acquisition, strategic partnership and joint venture.

Globalising Murray & Roberts defines the key market focus for the Group as

- The construction economy of Southern Africa as primary market
- The eastern hemisphere as growth market
- The natural resources markets in mining and natural gas as primary focus
- The demand for energy and power as growth focus

This strategy is pursued from our corporate office in Johannesburg, South Africa and through regional offices in Dubai, United Arab Emirates and Perth, Australia, and a representative office in London, United Kingdom.

Collectively, these offices coordinate and oversee the performance of the Group through established operations in Australia, Botswana, Canada, Indonesia, Namibia, South Africa, Tanzania, and United Arab Emirates. In turn these operations undertake projects within the Group's regional and market focus in more than 35 countries throughout the developing world.

Best-in-class benchmarking offers a comprehensive range of high-level measures against which Murray & Roberts has set its performance agenda for pursuit of its future journey.

A central theme is evident across all markets associated with engineering & construction

- Globalisation and industry consolidation remains an illusive ideal for most organisations
- Many of the world's major players are experiencing increased risk/reward challenges
- A rapidly changing investment and competitive environment has dislocated the sector
- Superior financial performance is evident and possible
- A range of business models can be adopted to deliver superior results
- Best-in-class companies typically exhibit both a revenue and value growth profile

Strategic themes common to engineering & construction best-in-class performers are

- Vertical integration within markets or regions
- Geographic expansion in core markets
- Service diversification within core regions
- Mergers & acquisitions to both consolidate and expand market or regional presence

Key operational themes that define best-in-class performers are

- Order book development
 - On average up to a high of 128% of future revenues
 - On average more than 74% repeat business with known clients
 - Mainly leveraged off financial strength through stable credit rating
 - Always secured through a formal proposals development process
- Project implementation
 - Focused on project end-delivery, through
 - Systems & predictability
 - Measurement & productivity
- Performed through project risk management, embracing
 - Quantification & mitigation
- Sustainability management achieved through
 - Human capital development
 - Knowledge management
 - Health, safety & environment awareness
 - Community engagement

What has become increasingly evident is that the performance of engineering & construction companies is a direct function of the style and capacity of executive leadership. Best-in-class leaders are characterised as high-level and disciplined systems oriented deliverers with strong community engagement capabilities.

Murray & Roberts has placed these best-in-class benchmarking criteria on its development and performance agenda.

International advisory board

An international advisory board has been established to complement the capacity of the Board. Its first meeting was convened in Perth, Australia, in April 2005 where it considered and endorsed Globalising Murray & Roberts as an appropriate strategy for the Group going forward.