

Capabilities



CONSTRUCTION ECONOMY

Murray & Roberts directs its attention into the construction economies of South and Southern Africa, Middle East, Southeast Asia and Australasia.

The construction economy is a well defined element of every national economic framework and is identified as a component of gross fixed capital formation (GFCF) within gross domestic product (GDP).

An established benchmark for developing countries is that GFCF should average between 20% and 30% of GDP and that construction investment should represent between 20% and 30% of GFCF.

The construction economy is represented by all expenditure associated with fixed investment into physical infrastructure, production and commercial facilities, and accommodation, as performed by general and specialist contractors, engineers, materials suppliers and service providers. It generally excludes the supply of generic machinery and equipment.

Market sectors:

- Mining & industrial
- Building & infrastructure
- Energy, power & environmental



Construction & engineering

Murray & Roberts offers a unique combination of multiple disciplinary capabilities in design, engineering and various construction skills, and has a proven track record in major project implementation. The Group is positioned as a primary contractor in the delivery of mining and general infrastructure, commercial buildings and industrial facilities.

The Group's primary market focus is the extraction, beneficiation and industrialisation of natural resources.

The acquisition of Cementation in South Africa and Canada and a strategic shareholding in Clough in Australia has extended this focus in the global marketplace. The acquisition of Concor in South Africa has enhanced the Group's domestic capability.

Murray & Roberts values innovation and is able to adapt to complex environments which positions it as a leading contractor in the southern hemisphere and developing world.

Capabilities:

- Construction
- Mining
- Engineering



INDUSTRIAL MANUFACTURE

Construction materials & services

Murray & Roberts supplies the construction markets of Southern Africa with quality service, materials and products through its technical capabilities in concrete, asphalt and steel. The recent acquisition of Oconbrick has extended the Group's capability into clay products.

This is underpinned by operational presence throughout the SADC region, appropriate technology, uncompromising quality and service excellence.

Murray & Roberts converts about one million tons of primary steel, a quarter of a million tons of concrete, a million tons of asphalt and a million tons of clay into construction products annually.

Toll road management in South Africa and lifting services in Middle East form the basis of a small sector of the Group's service offering.

Murray & Roberts has established a new presence in building materials and engages the domestic affordable housing market from this platform.

Capabilities:

- Steel
- Infrastructure
- Services

Fabrication & manufacture

Industrial manufacturing has formed an important anchor for the Group into the South African economy, leveraging domestic competitiveness into selected global markets.

'We are South African' is a strategic commitment that has focused the Group's profile in industrial manufacturing. We operate exclusively from South Africa, serving selected domestic and global markets.

Murray & Roberts has limited its involvement in this sector to selected areas of the market that support the supply of world class specialist engineered products.

Investment in manufacturing capacity leverages the Group's skills in engineering, contracting and industrial design.

The operations in this sector of the business are important in the short term but not core to Globalising Murray & Roberts.

Capabilities:

- Fabrication
- Manufacture
- Services

Broad based black economic empowerment

Murray & Roberts has launched the first truly broad based black economic empowerment initiative in the construction industry with the transfer of 10% of its issued share capital to employees and community organisations.



Murray & Roberts has engaged a comprehensive broad based black economic empowerment (BBBEE) strategy which aims to achieve:

- appropriate broad based empowerment ownership at the level of Murray & Roberts operating subsidiaries through a three-tiered approach at Murray & Roberts Holdings Limited, Murray & Roberts Limited and the operating subsidiaries
- a meaningful number of black senior executives in the Group
- an employee complement that reflects the diversity of South Africa's demographic profile
- the development of a core complement of black professionals
- preferential procurement policies that recognise the broad based principles of black economic empowerment
- enterprise and social development programmes aimed at accelerating the development, empowerment and access to the economy of previously disadvantaged individuals

The Letsema BBBEE shareholding transaction in which Murray & Roberts purchased 10% of its issued share capital on

19 December 2005, offers previously disadvantaged employees, their families and the communities in which Murray & Roberts operates, a stake in the company and its future.

The shareholding initiative comprises four trusts:

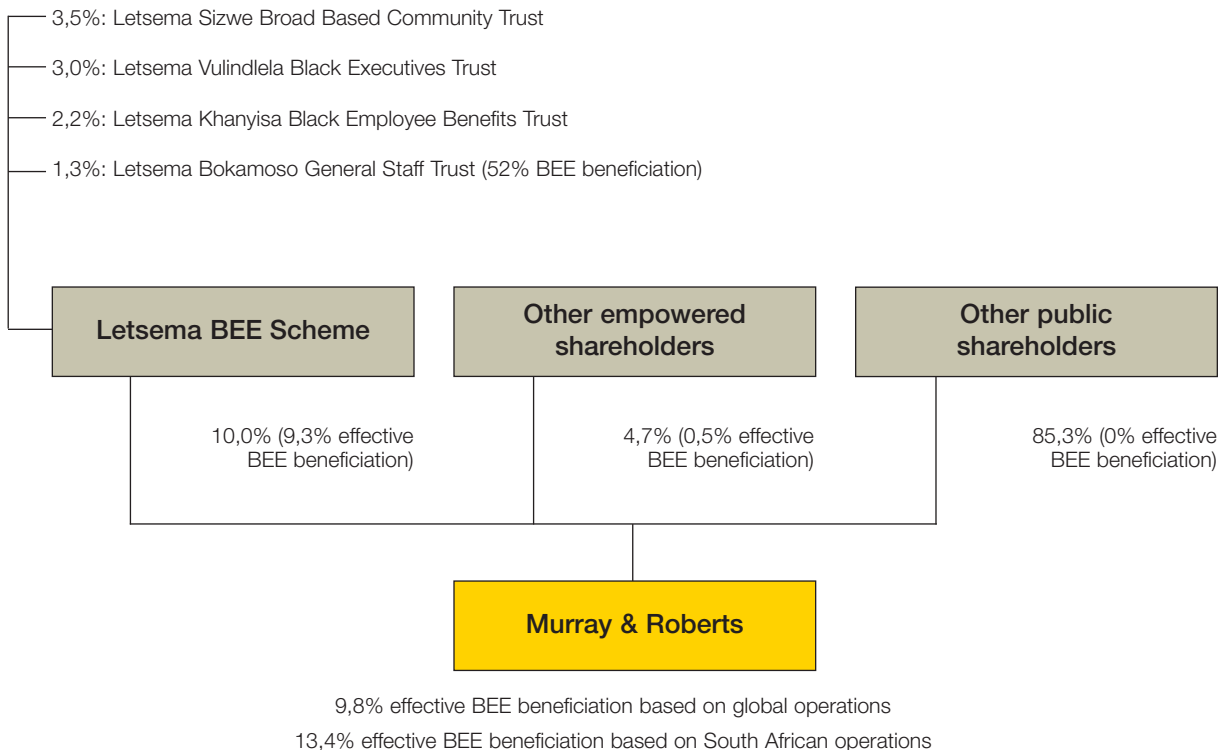
- Letsema Sizwe Broad Based Community Trust to benefit disadvantaged community groupings
- Letsema Khanyisa Black Employee Benefits Trust to benefit current and future qualifying black employees and their immediate families
- Letsema Vulindlela Black Executives Trust to benefit qualifying current and future black executives
- Letsema Bokamoso General Staff Trust to assist qualifying employees to acquire shares in Murray & Roberts

Since the initiative was launched, the Murray & Roberts share price has appreciated by more than 100%, creating wealth of R600 million for the participants, with more than R125 million attributable to the 14 000 participants in the General Staff Trust.

Letsema

Letsema is derived from the Sotho word which describes the concept of team work, where it is the tradition of communities to come together at the time of ploughing and harvesting to work on the communal fields together.

Murray & Roberts BBBEE shareholding



Murray & Roberts has five black managing directors in its major operations in the SADC region (19 companies) and although there remains much to be done, we have an increasing number of black and women executives within our system. The Group has a comprehensive recruitment process in place that has focused on undergraduate and young qualified talent.

At operating level, the Group has engaged selected black economic empowerment partners who have taken up equity in the following businesses:

- AKA Capital has a 20% share in Murray & Roberts Cementation
- Jay & Jayendra Group has a 30% share in The UCW Partnership
- Lehumo Women's Investment Trust has a 26% share in the Group's KwaZulu Natal toll road operations business

In our construction businesses, joint venture or subcontracting arrangements are entered into with BEE partners to pursue and deliver projects.

Following the BBBEE transaction, Murray & Roberts conducted a comprehensive external review of its empowerment status relative to various industry charters, current legislation and proposed regulation.

The review has shown that the Group meets current empowerment criteria appropriate for procurement policy in South Africa and has identified key agenda items for further development of this status over the 10 year time frame as stipulated in the legislation, to meet future development criteria.

Human capital

As South Africa's leading engineering and construction group, Murray & Roberts is strengthening its human capacity to meet the challenges of 2010 and beyond.



For South Africa, the 2010 Soccer World Cup coincides with a global trend of increased investment in infrastructure – a trend that many analysts predict as being the most dramatic increase in construction activity in our country's history. Following more than two decades of decline, this will raise the profile of the engineering and construction industry and drive demand for human capital and leadership talent.

The greatest human capital challenge lies not so much in basic skills, as in strategic and professional leadership. This is a global challenge. The United Kingdom, preparing for the 2012 London Olympics, faces similar challenges of leadership and capacity.

Infrastructure development will be characterised by larger and more complex projects requiring more sophisticated leadership talent with the ability to manage an increasingly complex and dynamic environment.

It is not the first time the South African construction industry has had to undergo a rapid transformation to meet significant new expectations. A similar challenge loomed in the 1960s and 1970s when the country experienced the last cyclical construction upturn. A new generation of leaders seized the opportunity and met the challenges posed at that time.

Murray & Roberts views its leadership teams as a key source of competitive advantage and has implemented a strategy to uncover fresh solutions to prepare them for a period of sustainable growth.

Many of the challenges facing Murray & Roberts are industry-wide. This limits the scope for external recruitment within South Africa. Murray & Roberts has an active recruitment programme underway to attract expatriate South African construction executives from the international community and build



domestic implementation capacity. Employing expatriates themselves (as opposed to recovering South African expatriates) is a sensitive issue in a country beset with high unemployment, but the country has to recognise that throughout its history it has been unable to deliver challenges of high growth from internal resources alone.

In the longer term, sustainable growth depends on the organic development of leadership talent.

To this end Murray & Roberts is adopting a strategy to develop and retain its own leadership talent through a comprehensive leadership succession and development process, based on a common understanding of the roles of leadership at all levels of the organisation. This defines a long term succession planning process ensuring a full and flowing pipeline of leadership talent.

A key premise for Murray & Roberts leadership succession and development is performance delivery. Murray & Roberts can only achieve its objectives if its leadership teams perform fully, and structured leadership development is required in order to sustain organisational performance in the future.

Murray & Roberts has identified the industry leadership challenge early and is prepared for 2010 and beyond.

The Murray & Roberts recruitment centre is accessible at www.careers.murrob.com. The recruitment centre is used to communicate with potential candidates for advertised vacancies or allow them to submit unsolicited CV's.

Major project capability

Gautrain, PBMR, VRESAP, the CoalLink locomotives and Eskom's expansion programme are major projects in which Murray & Roberts is contracted to play a key role. These projects alone represent R100 billion of gross fixed capital formation in the years ahead.

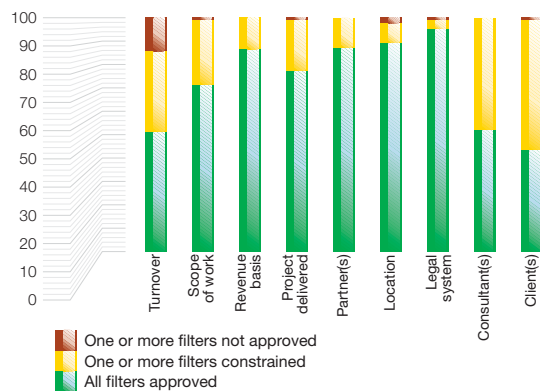


Murray & Roberts has a long and proud record of major project delivery. Our Group has been responsible for constructing much of the built environment in Southern Africa and we have been involved in some of the world's great engineering challenges.

Projects such as the Mozal aluminium smelter in Mozambique, where we have established a global benchmark for sophisticated industrial facilities, and the Burj al Arab in Dubai, bear testimony to our ability to deliver the most complex and unique of world class projects. We have learned from the historic challenges posed by projects such as the Carlton Hotel in the 1970s and DORTS in the 1990s that the opportunity of major projects can bring significant risk.

In recent years we have developed the capacity to better assess and manage a new era of major projects. Our bespoke opportunity management system controls the project approval process such that all opportunities entered into the tender process are evaluated against a selection of pre-determined criteria which flag them as red, green or amber. A scorecard approach allows management to determine the potential risk profile in a project, which projects can proceed normally, which must be declined and which can proceed only under more

Project pipeline status by number of projects



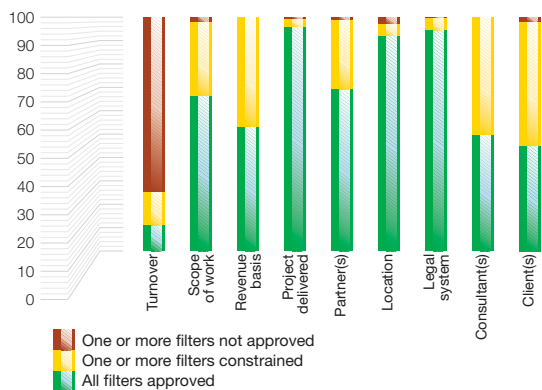
rigorous conditions. In this latter circumstance, a steering committee monitors each project through to final account.

In June last year, we appointed a group international projects director based in Dubai to bring world class experience to the risk management of major projects.

A fundamental principle of Rebuilding Murray & Roberts is the concept of a unitary organisation enabling us to exploit the



Project pipeline status by turnover



unique synergies in our various operations to engage major projects with the collective strength of our Group. This approach has leveraged our ability to compete for some of the world's most challenging mega projects.

Globalising Murray & Roberts benchmarks our leadership and systems capacity against the status of best-in-class from the global engineering and construction sector. We continue to

transform our operations, positioning them to offer superior propositions to their markets. Our leadership capacity is being strengthened to capitalise on the robust construction economy we anticipate in the years ahead.

We are implementing an enterprise resource planning financial management and consolidation system across the Group's project cluster to leverage the synergies of Unitary Murray & Roberts and ensure consistent project delivery.

The accepted international definition of a major project is one which exceeds the inherent capacity of any organisation to manage it within its own resource and capacity. Partnership is a strategic imperative for our Group and we select our partners against characteristics such as knowledge of a market or technological expertise. The building and maintenance of strong relationships with major clients in key growth sectors is reflected in our order book, where much of the work secured is repeat business.

Additional information on major projects undertaken by Murray & Roberts is available on the project portfolio at www.murrob.com.