

Strategy

The fundamentals of Rebuilding Murray & Roberts that have guided the development of the Group over the past six years were established by a board mandate to the new leadership team appointed in July 2000.

- Our commitment to sustainable earnings growth and value creation is not negotiable
- Our consolidated margin target is 5,0% to 7,5%
- Our target return on shareholder funds is 20%

Engineering is our expertise. We use our expertise to leverage technology. **Contracting** is our business. We contract to deliver major projects, engineered products and managed facilities. **Industrial Design** is our core competence. We use our competence to develop complete solutions for construction, production, management and services. **World Class Fulfilment** is our mission. We deliver capital projects and engineered products to customer requirements.

Murray & Roberts has identified the fundamental characteristics that define best-in-class companies in the global engineering & construction sector. Appropriate resources have been allocated to ensure their introduction into the Group.

- Balance sheet consistency
- Order book procurement system
- Risk management framework
- Project management systems
- Financial consolidation systems
- Human capital management
- Health & safety focus
- Community involvement process

The discipline of performance delivery is enhanced throughout Murray & Roberts and Clough, as this forms a critical element underpinning investor and customer confidence in the Group and its value proposition.

Organisation

Murray & Roberts is considering a strategy to structure the business profile of the Group in two primary sectors:

- A regional business model characterised by a multiplicity of clients and competitors
- A global business model characterised by a concentration of clients and competitors

Understanding the nature and characteristic of customers or clients, and establishing the business systems necessary to deal with the consequence of their behaviour characteristics, forms the essence of risk management. The two models require fundamentally different business models which will be developed during the year ahead.

Johannesburg is the Group's head office and primary base for operations in Southern Africa

Dubai is the centre of Middle East operations and primary base for management of the Group's international activities. The office in Dubai engages the potential of Middle East and the south Asia region, with a new focus on the oil & gas market.

Perth is the point of access for the markets of Australia and Southeast Asia.

A representative corporate office in London services our northern hemisphere operations and oversees international treasury activity. This increases our risk management capacity and offers better access to the resources necessary for international growth.

Murray & Roberts has contracted internationally for more than four decades and currently records 29% of its revenues from international markets.

Murray & Roberts is now positioned as one of the world's leading underground mining services contractors with a strong presence in the key markets of Africa, Australasia and North America.

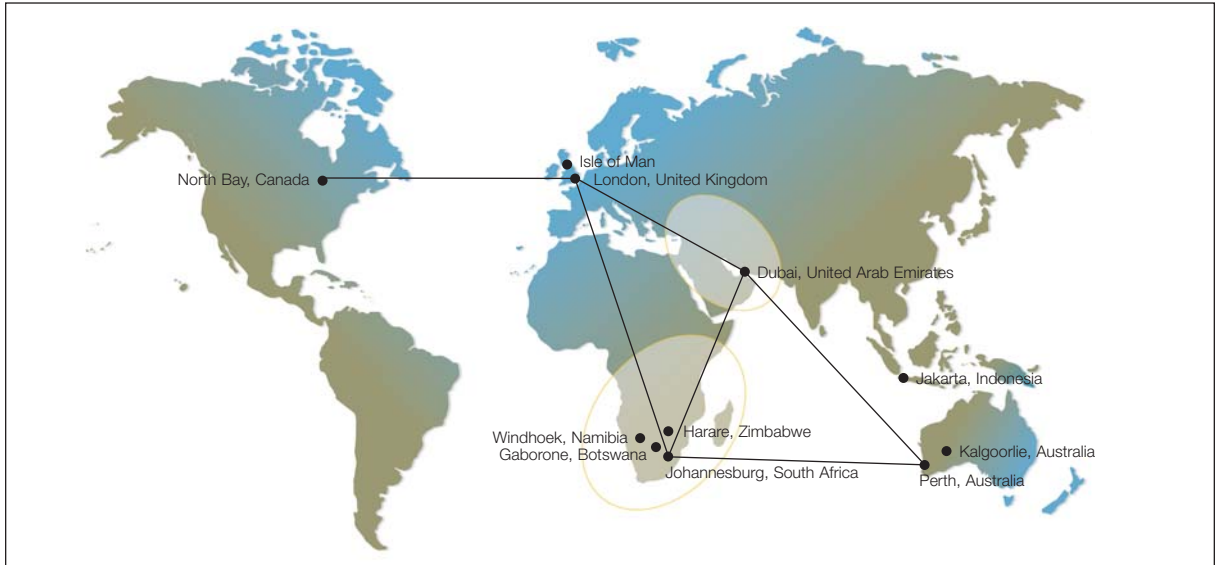
The relationship with Clough provides the Group with an operational presence in Southeast Asia and access to the engineering and contracting oil & gas sector.

Murray & Roberts has substantially enhanced its international executive capacity and has established an international advisory board to guide the expansion of its global activities.

The centre of activity for Murray & Roberts is South Africa within a framework that incorporates the markets of Australia and Middle East and coordination of North America through London.

Regional Construction Economy

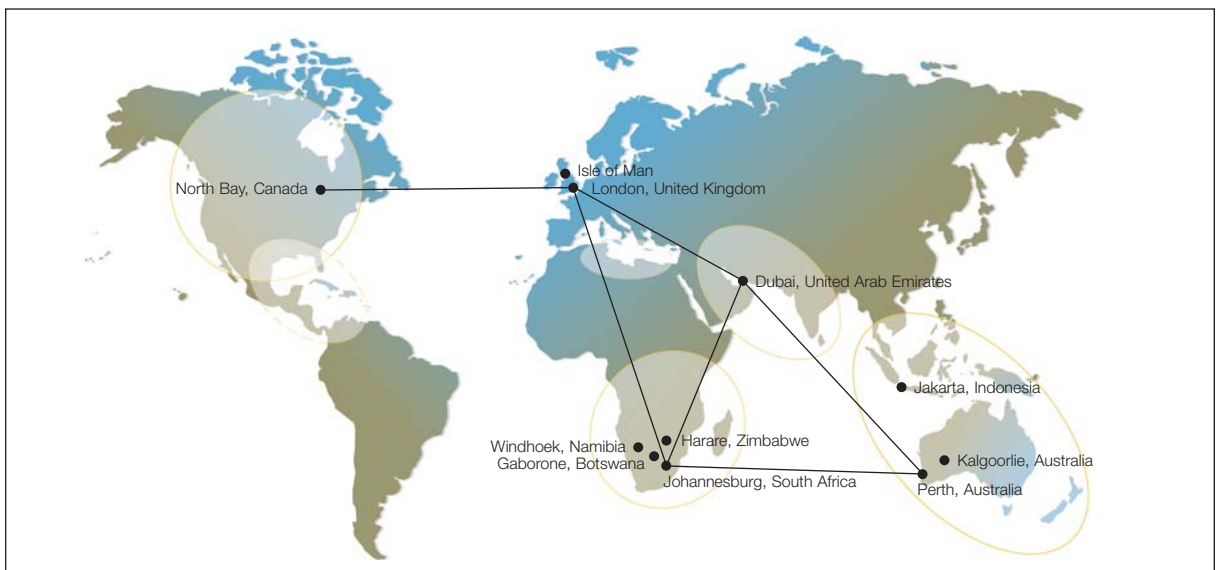
Operations include construction SADC and Middle East, engineering fabrication and construction materials & services.



The primary centre of activity is the South African construction economy from Johannesburg within a framework that incorporates the Middle East market from Dubai and international coordination through London.

Global Resources Economy

Operations include Murray & Roberts Cementation, Cementation Canada, RUC Australia, engineering contracting and Clough Limited.



Primary activities are directed at the underground mining markets of North America, Southern Africa and Southeast Asia/Australasia and the offshore oil & gas markets of Middle East and Southeast Asia/Australasia.