



The road to the future ...

SurfaceTalk

Spring 2007

NQURA BY ROAD

A close-up view of part of the main interchange between the N2 freeway and the Port of Nqura. See page 4



A Murray & Roberts company

Tel: +27 21 900-4400 Fax: +27 21 900-4468
E-Mail: info@muchasphalt.co.za Web: www.muchasphalt.co.za

BRANCHES COUNTRYWIDE

Proudly South African



Much Asphalt chief executive Phillip Hechter.

The past year has been challenging for our industry in terms of increasing workloads coupled with skills shortages. Much Asphalt has risen to the challenge by continuing to satisfy demand without compromising quality or service. We thank all our clients for their

ongoing support.

At the same time I am particularly proud of our Level 3 compliance with the Department of Trade & Industry's BBBEE scorecard. This is an exceptional achievement that shows our commitment to transformation and to being **Proudly South African** (see page 5).

Most important, everyone at Much Asphalt has bought into the process despite the sensitivities. It is the support and encouragement we receive from all levels that drives

the process and makes it succeed. We have been enriched and our horizons expanded by the diversity of cultures and ideas resulting from our transformation process.

With this as our foundation, I have great confidence in Much Asphalt's ability to take full advantage of the continued buoyancy in our economy and our industry in the future. We are investing more than R30-million in the next 18 months in increasing capacity to meet your requirements.

Our transformation

process is closely aligned with skills development. Our comprehensive staff training initiatives will help us to recruit and retain the people we need despite the shortage of critical skills. We also remain firmly committed to our training programme for emerging contractors to help sustain the industry into the future.

Best wishes from the team at Much Asphalt for a happy and safe festive season. We look forward to working with you in 2008.

- Phillip Hechter

We welcome our new chairman



Much Asphalt chairman Andrew Langham.

Andrew Langham has been appointed chairman of Much Asphalt. He succeeds Jim Wood in this role. Andrew is CEO of the Construction Materials cluster of businesses within Murray and Roberts, which includes responsibility for Much Asphalt, ROCLA, Steel, Harvey Roofing and Ocon Brick. Technicrete will also soon join the cluster when it moves over from Concor.

A chartered accountant by profession, Andrew joined Murray and Roberts in 1994 and was involved in a number of companies such as Engineering Services, Marine, Mining and Properties. In 1998 he left to join Avis, which had recently listed on the JSE, as group finance director. After Avis was acquired by Barloworld in 2004, Andrew was appointed finance director of the Barloworld Motor

division but soon took on an operational role looking after businesses locally and in Scandinavia. He rejoined Murray and Roberts at the start of 2007.

"Having worked in service businesses for almost 10 years, I understand that looking after the customer, external and internal, is of paramount importance in any business," says Andrew. "A strong service culture not only attracts customers but it also makes the job more satisfying for staff.

"Much strikes me as a company with a great culture; it is also continuing to invest in new capacity and technology and has truly accepted its role as a South African company with a diverse workforce. The national plans for an improved road and airport network across southern Africa bode well for the future of the company."



Staff of Zebra Bituminous Surfacing and Much Asphalt enjoyed a weekend together to map out a harmonious future.

Building bridges with our customers

Zebra Bituminous Surfacing and Much Asphalt talk the same language.

The alignment between the two companies did not happen by chance. It is the result of a Service Level Agreement that was first signed three years ago and has recently been renegotiated.

The discussions took place

during a recent weekend getaway attended by some 15 staff of each company from top management to technical assistants and foremen (Zebra), laboratory and distribution staff (Much). The original meeting in 2004 was hosted by Much, and Zebra reciprocated this year.

The agreement defines how the partnership can best

enhance the efficiencies and profitability of each. It seeks to improve and sustain communication and common goals at every level. All participants of the meeting have taken ownership and showed commitment by signing the final document.

However, the weekend getaway achieved even more. It enabled staff to get to

know each other and promoted teambuilding and mutual respect in place of the traditionally fault-finding, non-communicative customer/supplier relationship.

The unique understanding between Zebra and Much will be used as a prototype for Service Level Agreements with other key customers of Much Asphalt in the future.

New technical appointments



Brian Neville (left) and Herman Marais, our new technical managers for plant and materials respectively.

Two new technical appointments have been made to ensure that Much Asphalt retains its leadership in materials and plant technology.

Herman Marais has been promoted to group technical manager – materials. Herman, based in Benoni, is a registered Professional Technologist with 22 years of service in the broader materials industry. He is widely recognised as an authority on

asphalt and associated materials.

Brian Neville has been promoted to group technical manager – plant. He has a masters degree in mechanical engineering and is registered as a Professional Engineer. Brian worked closely with Chris Lange on this aspect of the business prior to Chris's resignation as technical director to move to Australia. Brian will retain his current position as branch manager at Roodepoort.

From page 1

Nqura by road

Access to the Port of Nqura in the Eastern Cape will not only be by sea. The land side access is equally important and Much Asphalt has played a role in this aspect of the project since inception.

Regional manager Colin Brooks reports that work has just started on phase 1 of the container terminal. This involves providing 55 000 tonnes of asphalt to Scribante for surfacing of the haul roads into the harbour and around the terminal itself.

Our materials have also surfaced all the new access roads to the port, including Club Road and the N2 interchange, Neptune Road linking the interchange with the industrial areas around the port, and the roads for industrial zones 1 to 5.

Surfacing in progress on the haul road to the container terminal, which is under construction in the background (right and below).



A close-up view of part of the main interchange between the N2 freeway and the Port of Nqura.



Significant BEE improvement gives us Level 3 rating



Full marks for enterprise development: Emerging contractors at one of our Best Practice Workshops in Eerste River during 2007.

Much Asphalt has improved its rating on the Department of Trade & Industry's Broad Based Black Economic Empowerment scorecard, rising from a Level 8 Contributor in 2006 to a Level 3 Contributor at the end of 2007.

We are proud of our status as a highly black empowered company and our clients can now claim 110% BEE procurement recognition.

In the *Direct Empowerment* category of the BBBEE codes, we meet the criteria for a Level 2 Contributor in equity ownership based on our status as a wholly owned subsidiary of Murray & Roberts. M&R currently has 25,42% black ownership. We are non-compliant in terms of management control, the second aspect of Direct

Empowerment, but this situation will change in the coming year.

In *HR Development and Employment Equity*, we scored Level 6 in employment equity and Level 3 in skills development. Of our staff complement, 83% comprises previously disadvantaged groups, with management representation by these groups at 60%. Our aim in the coming year is to improve numbers of black professionals and specialists in our ranks through both training and employment.

Our skills development initiatives are bearing fruit and we spent more than R2-million in 2007 on training of black employees. Much Asphalt put 37 employees through learnerships or other educational programmes related directly to

skills development in the course of the year and we hope to expand our training in 2008.

The company stands at Level 2 in terms of *Indirect Empowerment*, with 90% for preferential procurement and 100% for enterprise development. We are particularly pleased with our Level 1 status in enterprise development, based mainly on our ongoing Best Practice Workshops in asphalt paving to black-owned businesses around the country. In the past year our workshops have been presented, free of charge, to more than 200 people.

Much Asphalt also scored 100% for socio-economic development, with our facilities around the country involved in various social upgrading programmes.



Getting acquainted

A group of women in pink tee-shirts and personalised hard hats made for an unusual sight at Much Asphalt's Bloemfontein plant on 31 August 2007. The visitors were the ladies from Road Mac's Free State office and the event formed part of a programme by the Gauteng region to give customer staff a feel for our business. Eddie Jansen van Vuuren, marketing and customer liaison, and Leon Cloete, Bloemfontein branch manager, hosted the guests on a tour of the plant and laboratory, while regional manager Tom Gilbert presented an overview of Much Asphalt.

Environmental Management :

*Much Asphalt PE
- a model of
environmental
compliance.*



Much Asphalt's Port Elizabeth plant has completed a year-long environmental upgrade that not only ensures it meets with regulations but also gives our other facilities around the country a best practice prototype to follow.

Regional manager Colin Brooks says staff education and buy-in are key to the success of ongoing environmental management.

"Our people are taking this very seriously, to the point where lessons learned are also being applied at home."

The photographs tell the story. ▶▶▶▶



Mukesh Maharaj

PERSONALITY PROFILE

Mukesh Maharaj . . . Taking transformation to the next level

Mukesh Maharaj

began his career in the construction industry in 1988 as an accounts clerk with Tarmac Roadstone. A year later Tarmac Roadstone sold out to Blue Circle Materials. Blue Circle in turn sold the Premix and Contracting Division, which became known as Protea Asphalt.

In July 1990 Mukesh was retrenched due to the severe industry downturn. But the industry was in his blood and he rejoined Protea Asphalt (Natal) in 1991 in the finance division. After obtaining a National Diploma in Cost and Management Accounting, he was promoted to financial accountant at

Premier Road Surfacing in Pietermaritzburg.

In July 1996 Protea Asphalt (Natal) changed its name to Colas East, Premier Road Surfacing was consolidated into this company, and Mukesh moved to its head office in Durban as financial accountant.

The brand name changed to Much Asphalt in 2000. After 10 years in KZN, Mukesh moved to head office in Eerste River on 2 January 2006 as group financial accountant.

This year a decision was made to form a committee to drive the Broad Based Black Economic Empowerment process and Mukesh became chairman of the

Transformation Committee in July.

"Our primary goal was to improve on our initial BBBEE audit rating as a Level 8 Contributor," he says.

"Our most recent audit has moved us to a Level 3 Contributor, which is an astounding achievement, and our objectives will now be realigned around the findings from this audit. This will ensure that we maintain this level or, better still, improve further by concentrating on those areas where there is room for improvement."

The other members of the committee are Phillip Hechter, John Onraët, Adelaide Martin, Unathi Baliso and Ayden Volbrecht.

Port Elizabeth plant goes green



BITUMEN TANK



DRAINAGE



DIESEL



TOLUENE STORAGE

KwaZulu-Natal update



The new Coedmore office building is a welcome change from the park homes previously occupied by Much Asphalt.



Branch manager Steve Nel (right) with staff members Miriam Chiya, weighbridge clerk; and George Moodley site administrator.

Much Asphalt's KZN team reports that Pietermaritzburg has been busy with various DOT projects, not helped by the fact 10 trading days were rained out in October.

Empangeni has also had plenty of rain, but has managed to keep busy, mostly supplying Transnet at the Richards Bay Harbour. Sundry trade has also improved.

Congratulations to Steve Nel, Empangeni branch manager, on completing 25 years of service with Much Asphalt.

Coedmore has just moved into its new office building after many years of operating from park homes. The move was celebrated with a roof wetting party on 5 October attended by clients and staff. Thanks to a thunder storm, the roof was well and truly wetted.

Building of the new facility was

project managed by Greg van Wyk, our Coedmore branch manager, who can be proud of the result.

Besides our valued sundry customers who keep us busy, we have serviced the following major jobs:

N3 Key Ridge to Cato Ridge
– 5 500 tonnes of AE-2 Binder;
Durban Harbour Pier 1 phase one

– 8 000 tonnes of base and wearing course;

N2 rehabilitation
– 5 500 tonnes of wearing course AE-2 Binder.

We are now gearing up for the Nandi Drive project, requiring 18 000 tonnes of base, wearing course and SMA, and we are also modifying our plant to accommodate an order for red Décor Asphalt to be delivered in January 2008.

New manager for KZN

Much Asphalt has recently welcomed Anthony Allen as regional manager for KwaZulu-Natal, responsible for our Coedmore, Pietermaritzburg and Empangeni plants.

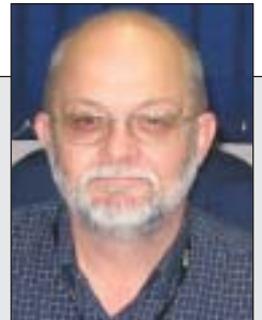
Anthony was born in Kenya and moved to South Africa in 1970. He matriculated at Westville Boy's High in Durban and then studied mechanical engineering at the KZN Technikon. In 1997 he completed an MBA from Cardiff University, Wales, and he has subsequently obtained the SA Association of Arbitrators Certificate in Arbitration and Diploma in Construction Law.

Anthony has been with the Murray & Roberts group for 27 years. He began his career as a trainee with Murray & Roberts MEI and went on to hold various positions at MEI, including QA manager, construction director and commercial director.

"Without a customer you have no business, so customer relationships are key," he says. "Both Much and the customer are in business for a reason and a win-win approach is essential.

"My management style is hands-on and detail focused and, coming from a construction environment, I firmly believe that safety is non-negotiable."

Anthony is married to Jenny, a medical scientist specialising in TB, and has two teenage sons. His hobbies are collecting war medals, diving for crayfish and walking his two bullmastiffs.



Anthony Allen

A winter wonderland in Benoni



Our Benoni plant was covered in a blanket of snow on 27 July 2007. On the right is Melanie Thomson with a snow man built by the ladies in the office.



Bagged cold mix takes off

thanks to budding entrepreneurs at Much



Port Elizabeth's Johnson Burwana, saw the cold mix opportunity.



Annastacia Mkobane, taking the Polokwane market by storm.



Maxwell Jonashe (right), won back six Cape Town customers. He is pictured with Garth Miller, Much Asphalt regional manager for the Western Cape.

Last year Johnson Burwana, an employee of Much Asphalt in Port Elizabeth, saw an opportunity in the sales of bagged cold mix asphalt to local authorities for the filling of potholes, trench reinstatement and emergency road repairs.

In July 2006 he started marketing cold mix and today Johnson takes regular orders as far afield as Outshoorn, Kokstad and Aliwal North. Sales are increasing monthly, with the biggest volumes being traded in the Port Elizabeth and Mthatha areas.

Cape Town

Based on Johnson's success and dwindling cold mix market share, Much

Asphalt in Eerste River, Cape Town, this year appointed staff member Maxwell Jonashe to market the product. Maxwell has not only won back six lost customers, but he has also set up a training scheme on site preparation and product application.

Maxwell has persuaded several users, mainly local authorities, to put Much Asphalt's cold mix on their procurement lists and he is currently negotiating with hardware stores in outlying areas to stock the product.

Polokwane

In September this year our Polokwane branch followed suit and cold mix rep Annastacia Mkobane has

achieved great success in her first few months. Last month she sold 3 800 40kg cold mix bags and in November she received a single order for 5 440 25kg bags.

The Polokwane municipality is Annastacia's biggest customer and says it has seen a tremendous improvement of functionality in its road repairs since using the Much cold mix product. She has five other local authorities on her client list and is also talking to the Department of Transport.

Polokwane branch manager William Nenjerama has designed a holding bin for the cold mix product to make packaging into bags quicker, easier and less labour intensive.

Help us to help you

Much Asphalt will be sending out customer service questionnaires electronically before the end of 2007. Please take a few minutes to respond as this will help us to improve our service levels. Thank you.



Elias Moloi, plant manager at Witbank.

New Witbank plant opens

Our new 100 tonne/hour plant opened for business in Witbank on 19 November and will supply asphalt requirements within a 150km radius.

The new plant in Ferrobank, next to Samancor and opposite Concor, replaces the satellite silo that has been on site since August. Newly appointed plant manager Elias Moloi says it will produce medium grade asphalt and BTB asphalt base initially. A comprehensive mobile laboratory is also operational on site.



Resolving issues at CAPSA

Much Asphalt's management team was well represented at the Ninth Conference on Asphalt Pavements for Southern Africa (CAPSA07) from 2 to 5 September. Attending the event at the Gaborone International Convention Centre in Botswana were (from left): Bennie Greyling (operations director); Colin Brooks (Eastern Cape regional manager); Henry Appollis (technical

manager – south); Brian Mchunu (Pietermaritzburg branch manager); Phillip Hechter (managing director); Herman Marais (group technical manager – Materials); William Nenjerama (Polokwane branch manager); Tom Gilbert (Gauteng, Free State and Mpumalanga regional manager); John Onraët (marketing director); and Francois van der Spuy (mobiles

manager). CAPSA07 was an interim conference that focused on resolving current issues facing the industry and papers covered best practice by local and international experts. John Onraët was a member of the steering committee and conducted four workshops, while Bennie Greyling and Herman Marais both presented technical papers on RAP.

New Mthatha plant up and running

The Much Asphalt plant formerly in Kokstad, KZN, has been moved to Transkei Quarries, 8km outside Mthatha in the Eastern Cape Province, where it became operational in September this year. The first contract awarded to Much at the Mthatha operation

was 4 000 tonnes for the Ugie/PG Bison Road. Umso is the main contractor and Concor is doing the paving. Asphalt production commenced in mid-October. Early next year we look forward to the possibility of contracts in Libode, Mount Frere and Tsolo Hospital.



PERSONALITY PROFILE

Colleen Kirsten



25 years on . . . Colleen Kirsten recalls

I joined the Murray and Roberts Group on 21 June 1982, working with Geoff Gooderham in the creditors department at Petrocol. In those days everything was done manually and I remember the general ledger being a huge book weighing about 100 tonnes in which we had to add up and balance each page.

From creditors I was transferred to Abecol head office as bookkeeper. Abecol entered a squash team in the business league. I was the captain and John Dreyer, our MD, was one of the team members, so for one night a week he reported to me!

When, a few years later, the senior bookkeeper left Petrocol, I was transferred back to take over from her. In 1997 an export company called Bitumen Services International (BSI) was established and I transferred to the new company to do all the book-keeping functions.

After many years of trading bitumen throughout sub-Saharan Africa, the company was closed as our risk exposure was too high. I was then offered a job in the debtors department at Colas North (now Much Asphalt), where I am still employed.

In the past 25 years I have seen many colleagues come/go insane/retire and names change from Abecol to Colas Southern Africa to Much Asphalt.

I am married to John and have two sons, Stephen (18) and Timothy (15). Having teenage sons does not leave much time for hobbies. So my main interests at the moment are my family and Much Asphalt and Much Asphalt and Much Asphalt.

First Gauteng golf day goes down well

The first ever Much Asphalt Gauteng region golf day took place on 13 September 2007 at the Benoni Lake Golf Club and was enjoyed by all.

We tried to involve as many of the role players in our market as possible

in the field of 80 golfers in order to network, build relationships and thank our customers and suppliers for their support and commitment through the year.

Thanks, also, to our 17 sponsors.

Your involvement and generosity were much appreciated.

We hope to make this an annual event that will be looked forward to by all our friends and business partners.



From Left: Jim Wood (former Much chairman), Phillip Hechter (Much Asphalt managing director), Andrew Langham (Much Asphalt chairman), Kevan Rocher (Road Mac).



The winning four ball (from left): Tom Gilbert, regional manager of Much Asphalt; Bob Hornsey, Steve Jele and Motukwane Mokwena (not pictured), of Shell.



Much Asphalt Gauteng staff assisting (from left): Annastacia Makobane, Melanie Thomson and Ria Bezuidenhout.

Team building sessions prepare us for the future

September and October saw the Gauteng and Western Cape regions of Much Asphalt on teambuilding weekends to workshop issues and strategize for the future.

The Gauteng management team spent the first day addressing current concerns such as demand for raw materials, electricity supply, alignment with parent company Murray & Roberts, staff retention and technology. Team work and endurance were tested on the second day with activities such as arch bow

shooting, incline hill and skid pan driving, 4X4 driving and quad bike riding.

The Western Cape event involved the entire staff of 54 people working at our Eerste River, Contermanskloof and Worcester plants. The three-year plan for the region was presented and discussed and fun events highlighted the importance of both the individual and the team in our business.

We trust that the lessons learned in these sessions will add value to our relationships with all our clients.



Building team spirit in the Western Cape.

Fun in the sun at SANRAL Mbizo



The Much Asphalt team was justifiably proud of its lamb shank potjie at SANRAL's annual Mbizo at the Huguenot Tunnel Toll Plaza Tunnel on 26 October. Our team was one of about 44 entrants that carefully tended their pots over fires at the potjie cook-off, participated in games and generally had fun in 30°C+ heat. Pictured are (from left): Much Asphalt team members Elliot Hesi, Thandikaye Ntozini, Unathi Baliso, Maxwell Jonashe, John Onraët, Melvin Johnson, Adelaide Martin and master chef Stanley de Goede. Thanks, SANRAL, for another excellent Mbizo.



Do you have any interesting news regarding Much Asphalt's people, products or projects?
Please contact Lynne Hancock at 082 441-5813 or email lynne@lhcom.co.za