Murray & Roberts

PRELIMINARY REPORT

for the year ended 30 June 2009

Murray & Roberts Holdings Limited
(Registration number: 1948/029826/06)
("Murray & Roberts" or "Group")
Share Code: MUR ISIN code: ZAE000073441

Condensed consolidated income statement

for the year ended 30 June 2009 R millions	Audited Annual 30.6.09	Audited Annual 30.6.08*
Revenue	**33 762**	26 665
Earnings before interest, exceptional items, depreciation and amortisation	**3 674**	2 849
Depreciation	**(741)**	(530)
Amortisation of intangible assets	**(35)**	(39)
Earnings before interest and exceptional items	**2 898**	2 280
Exceptional items (note 2)	**8**	145
Earnings before interest and taxation	**2 906**	2 425
Net interest (expense)/income	**(37)**	30
Earnings before taxation	**2 869**	2 455
Taxation	**(612)**	(489)
Earnings after taxation	**2 257**	1 966
Share of profit from associates	**2**	9
Earnings from continuing operations	**2 259**	1 975
Profit from discontinued operations (note 3)	**79**	89
Earnings for the year	**2 338**	2 064
Attributable to:		
– Shareholders of the holding company	**2 018**	1 714
– Minority shareholders	**320**	350
	2 338	2 064
Earnings per share (cents)		
– Diluted	**678**	565
– Basic	**685**	577
Earnings per share from continuing operations (cents)		
– Diluted	**663**	547
– Basic	**670**	559
Total dividend per ordinary share (cents)**	**218**	196
Operating cash flow per share (cents)	**470**	939

* Reclassified as a result of discontinued operations
** Based on period to which dividend relates

SUPPLEMENTARY INCOME STATEMENT INFORMATION

Reconciliation of weighted average number of shares in issue (000)		
Weighted average number of ordinary shares in issue	**331 893**	331 893
Less: weighted average number of shares held by The Murray & Roberts Trust	**(7 815)**	(5 333)
Less: weighted average number of shares held by Murray & Roberts Limited	**(676)**	(676)
Less: weighted average number of shares held by the Letsema BBBEE trusts	**(28 946)**	(28 946)
Weighted average number of shares used for basic per share calculation	**294 456**	296 938
Add: dilutive adjustment for share options	**3 257**	6 370
Weighted average number of shares used for diluted per share calculation	**297 713**	303 308

Headline earnings per share (cents) (note 4)		
– Diluted	**675**	550
– Basic	**683**	562
Headline earnings per share from continuing operations (cents)		
– Diluted	**660**	532
– Basic	**668**	544

Condensed consolidated segmental analysis

for the year ended 30 June 2009 R millions	Revenue	Earnings before interest and exceptional items	Exceptional items
30.6.09			
Construction & Engineering	25 138	2 175	–
Construction Materials & Services	6 325	711	(12)
Fabrication & Manufacture	2 153	180	–
Corporate & Properties	146	(168)	20
Continuing operations	**33 762**	**2 898**	**8**
Discontinued operations (note 3)	1 606	87	–
	35 368	**2 985**	**8**
30.6.08			
Construction & Engineering	19 132	1 335	203
Construction Materials & Services	5 838	901	33
Fabrication & Manufacture	1 582	177	–
Corporate & Properties	113	(133)	(91)
Continuing operations	26 665	2 280	145
Discontinued operations (note 3)	1 510	151	–
	28 175	2 431	145

Condensed consolidated balance sheet

at 30 June 2009 R millions	Audited Annual 30.6.09	Audited Annual 30.6.08
ASSETS		
Non-current assets	**6 258**	5 533
Property, plant and equipment	**4 280**	3 694
Investment property	**510**	482
Goodwill	**490**	488
Other intangible assets	**59**	90
Deferred taxation assets	**305**	208
Investment in associate companies	**12**	13
Other investments	**483**	518
Other non-current receivables	**119**	40
Current assets	**15 422**	15 861
Accounts and other receivables	**2 690**	2 856
Inventories	**2 169**	1 854
Amounts due from contract customers	**5 900**	6 462
Cash and cash equivalents	**4 663**	4 689
Assets classified as held-for-sale	**1 813**	256
TOTAL ASSETS	**23 493**	21 650
EQUITY AND LIABILITIES		
Total equity	**6 634**	5 825
Attributable to shareholders of the holding company	**5 581**	4 864
Minority shareholders' interest	**1 053**	961
Non-current liabilities	**1 447**	1 290
Long-term provisions	**78**	102
Obligations under finance headleases*	**14**	53
Long-term liabilities*	**770**	751
Other non-current liabilities	**313**	178
Deferred taxation liabilities	**272**	206
Current liabilities	**14 370**	14 466
Accounts and other payables	**8 075**	9 293
Amounts due to contract customers	**3 601**	3 953
Bank overdrafts*	**1 787**	411
Short-term loans*	**907**	809
Liabilities directly associated with a disposal group held-for-sale	**1 042**	69
TOTAL EQUITY AND LIABILITIES	**23 493**	21 650

*Interest-bearing borrowings

SUPPLEMENTARY BALANCE SHEET INFORMATION (R millions)

Net asset value per share (cents)	**1 682**	1 466
Capital expenditure		
– Spent	**2 368**	1 784
– Authorised but unspent	**1 529**	2 779
Operating lease commitments	**2 328**	2 528
Contingent liabilities	**261**	176
Financial institution guarantees	**10 105**	9 827

Condensed consolidated cash flow statement

for the year ended 30 June 2009 R millions	Audited Annual 30.6.09	Audited Annual 30.6.08
Cash generated by operations before working capital changes	**3 928**	3 221
Cash outflow from headlease and other property activities	**(25)**	(75)
(Increase)/decrease in working capital	**(1 290)**	445
Cash generated from operations	**2 613**	3 591
Interest and taxation paid (net)	**(1 054)**	(475)
Operating cash flow	**1 559**	3 116
Dividends paid to shareholders of the holding company	**(625)**	(455)
Dividends paid to minority shareholders	**(72)**	(70)
Cash flow from operating activities	**862**	2 591
Property, plant and equipment and intangible assets (net)	**(2 262)**	(1 666)
Cash flow from consolidation of Clough Limited	**–**	590
Acquisition of minorities	**(390)**	–
Business disposals/acquisitions (net)	**–**	262
Other investments (net)	**162**	30
Other (net)	**5**	37
Cash flow from investing activities	**(2 485)**	(747)
Net movement in borrowings	**663**	(303)
Net movement on issue of shares by subsidiary	**–**	108
Treasury share acquisitions/disposals (net)	**(251)**	(68)
Cash flow from financing activities	**412**	(263)
Net (decrease)/increase in cash and cash equivalents	**(1 211)**	1 581
Net cash and cash equivalents at beginning of year	**4 278**	2 628
Effect of foreign exchange rates	**(191)**	69
Net cash and cash equivalents at end of year	**2 876**	4 278

Notes:

1. **Basis of preparation**

This preliminary report has been prepared and presented in accordance with IAS34: Interim Financial Reporting, Schedule 4 of the Companies Act, No. 61 of 1973 (as amended) and is derived from a set of Annual Financial Statements that are in compliance with International Financial Reporting Standards (IFRS). The accounting policies used in the preparation of these results are consistent in all material respects with those used in the prior year. The condensed financial statements have been prepared under the historic cost convention, except for the revaluation of certain investments and investment property.

The Group's 2009 Annual Financial Statements were audited by the Group's external auditors, Deloitte & Touche, whose unmodified audit opinion is available for inspection at the company's registered office.

2. **Exceptional items**

R millions	30.6.09	30.6.08
Property fair value adjustment	**–**	2
Profit on disposal of investments	**20**	214
(Loss)/profit on disposal of land and buildings	**(12)**	43
Impairment of investments and goodwill	**–**	(111)
Other	**–**	(3)
Exceptional profit	**8**	145

3. **Profit from discontinued operations**

Clough Limited (Clough), having undertaken a strategic review of its operations, has confirmed its intent to concentrate activities within the Oil & Gas market, resulting in the decision to dispose of its 82% holding in PT Petrosea Tbk and related entities (Petrosea), which is focused on the Indonesian coal sector. On 26 February 2009, Clough announced that it had entered into a binding Heads of Agreement to sell its shareholding in Petrosea to PT Indika Energy Tbk for a cash consideration of US$83.8 million. The sale of Petrosea was completed subsequent to year end, on 6 July 2009. The results of Petrosea have been recorded in these financial statements as being a discontinued operation. Financial information relating to Petrosea for the year is set out below. The prior year includes financial information for Petrosea and Harvey Roofing Products (Proprietary) Limited.

R millions	30.6.09	30.6.08
Revenue	**1 606**	1 510
Earnings before interest and depreciation	**152**	238
Depreciation	**(65)**	(87)
Earnings before interest and taxation	**87**	151
Net interest expense	**(20)**	(15)
Taxation	**12**	(49)
Earnings after taxation	**79**	87
Share of profit from associates	**–**	2
Profit from discontinued operations	**79**	89
Minority interest relating to discontinued operations	**34**	35
Cash flows from discontinued operations include the following:		
Cash flow from operating activities	**12**	158
Cash flow from investing activities	**(346)**	(67)
Cash flow from financing activities	**147**	(65)
Net (decrease)/increase in cash and cash equivalents	**(187)**	26

4. **Reconciliation of headline earnings**

R millions	30.6.09	30.6.08
Earnings attributable to shareholders of the holding company	**2 018**	1 714
Revaluation of investment property	**–**	(2)
Profit on disposal of investments	**(20)**	(214)
Loss/(profit) on disposal of land and buildings	**12**	(43)
Impairment of investments	**–**	101
Impairment of goodwill	**–**	10
Taxation effect on above adjustments	**–**	11
Minority interest on above adjustments	**–**	92
Headline earnings	**2 010**	1 669

5. **Post balance sheet event**

On 6 July 2009, Clough completed the disposal of 82% held Indonesian listed contract mining subsidiary PT Petrosea Tbk for a cash consideration of US$83.8 million. The financial effects of the transaction have not been brought into account at 30 June 2009. The results of Petrosea have been recorded as being a discontinued operation and the assets and liabilities of Petrosea have been recorded as held-for-sale.

On 17 August 2009, Clough announced that it had acquired 70% of the share capital of Ocean Flow International LLC (Ocean Flow), with the remaining 30% to be acquired over the next three years. Ocean Flow is a subsea engineering and construction management company specialising in deepwater facilities, headquartered in Houston, USA.

Condensed consolidated statement of changes in equity

for the year ended 30 June 2009 R millions	Share capital and premium	Other capital reserves	Hedging and translation reserves	Retained earnings	Minority interest	Total
Balances at 30 June 2007	1 036	77	156	2 368	178	**3 815**
Transfer from non-distributable reserves	–	(2)	–	2	–	**–**
Hedging reserves on financial instruments	–	–	5	–	–	**5**
Purchase/disposal of minorities (net)	–	–	–	(69)	394	**325**
Net movement in minority loans	–	–	–	–	12	**12**
Movement in treasury shares	(68)	–	–	–	–	**(68)**
Movement in share-based payment reserve	–	48	–	–	–	**48**
Foreign currency translation movement on investments	–	–	52	–	97	**149**
Attributable earnings	–	–	–	1 714	350	**2 064**
Dividend declared and paid	–	–	–	(455)	(70)	**(525)**
Balances at 30 June 2008	968	123	213	3 560	961	**5 825**
Hedging reserves on financial instruments	–	–	4	–	–	**4**
Purchase/disposal of minorities (net)	–	–	–	(213)	(137)	**(350)**
Net movement in minority loans	–	–	–	–	42	**42**
Movement in treasury shares	(250)	–	–	–	–	**(250)**
Movement in share-based payment reserve	–	38	–	–	–	**38**
Transfer to minority interest	–	(8)	(2)	–	10	**–**
Foreign currency translation movement on investments	–	–	(245)	–	(71)	**(316)**
Attributable earnings	–	–	–	2 018	320	**2 338**
Dividend declared and paid	–	–	–	(625)	(72)	**(697)**
Balances at 30 June 2009	718	153	(30)	4 740	1 053	**6 634**

MURRAY & ROBERTS PROVES ITS RESILIENCE

Reframing for the future

Commentary

The global economic crisis has distressed most fixed investment markets over the past six months and has challenged the Group's performance in the year. But Murray & Roberts is a resilient organisation and its diverse business model has given strength to its performance through this period.

The Directors are pleased to report diluted headline earnings of 675 cents per share, up 23% on the previous year and above the top-end of recent guidance offered to the market. In a year of two very different halves, revenue growth in the second half was limited to 12% compared to the previous equivalent period and down from first half growth of 44% as previously reported.

Revenues for the year increased 27% to R33,8 billion (2008: R26,7 billion) with an operating profit increase of 27% to R2,9 billion (2008: R2,3 billion). Despite the fall-off in second half activity, the operating margin for the year has been maintained at 8,6% (2008: 8,6%).

The year-end net cash position was R2,8 billion (2008: R4,3 billion) after net capital expenditure up 33% at R2,4 billion (2008: R1,8 billion). Operating cash inflow for the year is down 50% at R1,6 billion (2008: R3,1 billion) after a R1,3 billion increase in working capital (2008: R445 million decrease) essentially to fund inventory in the Fabrication & Manufacture cluster and in Clough Limited (Clough).

Shareholder Funds increased 15% to R5,6 billion (2008: R4,9 billion) giving a return of 38,6% (2008: 40,3%) on average shareholder funds for the year.

There is evidence of stabilisation in the Group's markets. Considering the short-term demand expectations on the cash resources of the Group, the Directors have determined a final dividend of 133 cents per share (2008: 119 cents per share). This increases the total dividend for the full year by 11% to 218 cents per share (2008: 196 cents per share) based on a dividend cover of 3,0 times diluted headline earnings per share plus 16 cents per share from Clough. Attention is drawn to the formal dividend announcement contained herein.

The Group order book at 30 June 2009 remained stable at R40 billion (2008: R55 billion) following termination of R25 billion of order book between November 2008 and March 2009.

The year ahead will almost certainly present further challenges to the Group and its operations. There is opportunity in the market and order book development has kept pace with revenue over the final four months of the financial year. In passing through this year-end, each operation has been stress-tested in the context of the economic crisis, its impact to date and its likely influence on performance into the future. This process increased final quarter volatility, but has delivered a confident overall result for the year that underpins the future performance potential of the Group.

Strategic Response

Murray & Roberts has a resilient business model, focused on the construction economy through a number of market and organisational dimensions, which is sufficiently diverse to support sustainability of performance. Despite the economic crisis and recession in many of the Group's markets, most operations have delivered creditable performances in the 2009 financial year.

Operational leadership teams have been exemplary in their engagement of the order book termination process and the Group did not suffer any negative financial consequence as a result. Regrettably, about 7000 jobs have been shed as projects and opportunities have been terminated or delayed in the period since November 2008.

In response, the Group will consolidate its operations into six large business clusters, three of which are focused on the domestic and Southern Africa Development Community (SADC) market and three focused on global and international markets. New and experienced executive leadership has been appointed into the top levels of the organisation to compliment the high level capacity already in place. The Group's Leadership Development and Succession Program is directed at the significant potential within the organisation.

This is Reframing Murray & Roberts which defines the Group's strategic response to the economic and market challenges, essentially reframing the established business model on the principle *"same picture but against a different context, background and surrounding"*. This follows the success of Rebuilding Murray & Roberts between 2000 and 2005 and Globalising Murray & Roberts through 2006 to 2008.

Construction SADC

Five companies engage the large to medium sector building, civil engineering, industrial and roads & earthworks construction markets of South Africa, Botswana, Namibia and Zimbabwe and pursue selected project opportunities elsewhere in SADC.

Consolidated revenues increased 57% to R9,1 billion (2008: R5,8 billion) with operating profit up 55% to R523 million (2008: R338 million) at a margin of 5,7% (2008: 5,8%).

R millions*	Construction		Concor		Botswana & Namibia		Zimbabwe**
	2009	2008	**2009**	2008	**2009**	2008	**2009**
Revenues*	**5 579**	3 363	**3 156**	2 118	**379**	337	**114**
Operating Profit*	**142**	73	**338**	204	**43**	61	**11**
Margin	**2,5%**	2,2%	**10,7%**	9,6%	**11,3%**	18,1%	**9,6%**
People	**4 471**	6 156	**3 940**	4 013	**706**	705	**1 263**
LTIFR (Fatalities)	**2,7(2)**	4,4(7)	**1,0(3)**	0,7(0)	**4,7(0)**	3,5(0)	**0,5(0)**
Order Book*	**4 900**	8 600	**3 400**	3 300	**300**	400	**100**

** *Murray & Roberts Zimbabwe is a 49% held associate and these figures are for information purposes only.*

Murray & Roberts Construction includes the Group's share of the Gautrain Project against which no operating profit has been recognised in the financial year *(refer to Major Projects below)*, and Green Point Stadium. The Group's 67% share of Medupi Civils is shared equally between Concor and Murray & Roberts Construction.

Mr Trevor Fowler, a civil engineer with extensive professional experience earned in the USA and Canada, has been appointed to succeed Mr Keith Smith as executive chairman of the cluster. He joins the Group in September 2009 from his previous role as chief operating officer in the Presidency.

Engineering SADC

Five companies engage large scale EPCM (engineer, procure and construction manage) and EPC (engineer, procure and construct) projects in the industrial, mining, power and marine infrastructure markets. Apart from Marine which has an Africa, Middle East and Asia focus, the primary market is South Africa and Rest of Africa.

Consolidated revenues increased 41% to R2,7 billion (2008: R1,9 billion) with operating profit up significantly to R446 million (2008: R87 million) at a margin of 16,5% (2008: 4,5%).

R millions*	MRES & MEI		Genrec		Wade Walker		Marine	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Revenues*	**684**	1 047	**444**	318	**1 058**	254	**515**	303
Operating Profit*	**(12)**	(25)	**33**	17	**328**	63	**97**	32
Margin	**(1,8%)**	(2,4%)	**7,4%**	5,3%	**31,0%**	24,8%	**18,8%**	10,6%
People	**391**	953	**1 281**	544	**1 458**	1 556	**381**	359
LTIFR (Fatalities)	**1,4(0)**	1,1(1)	**10,9(0)**	4,8(0)	**0(0)**	0(0)	**0(0)**	2,6(0)
Order Book*	**8 700**	9 800	**9 200**	4 500	**400**	600	**200**	700

Murray & Roberts MEI and Murray & Roberts Engineering Solutions (MRES) are being merged to form a larger scale EPC contractor to serve the industrial, power and resource beneficiation markets of SADC. The results include the early stages of Medupi and Kusile Boiler projects. The 20% minority in Wade Walker was acquired effective 28 February 2009 and the company benefited from various minerals processing projects in the Rest of Africa.

Construction Products SADC

Six companies manufacture and supply value-added construction products to the infrastructure and building markets of South Africa and the rest of SADC. Principal raw material inputs are steel, cement, aggregate, bitumen and clay.

Consolidated revenues increased 10% to R6,6 billion (2008: R6,0 billion) with operating profit 24% down to R621 million (2008: R821 million) at a margin of 9,4% (2008: 13,6%).

R millions*	Steel		Hall Longmore		Rocla & Much		Ocon & Technicrete	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Revenues*	**2 960**	3 128	**1 111**	782	**1 916**	1 491	**590**	632
Operating Profit*	**78**	286	**133**	107	**351**	328	**59**	100
Margin	**2,6%**	9,1%	**12,0%**	13,7%	**18,3%**	22,0%	**10,0%**	15,8%
People	**2 089**	1 897	**788**	470	**1 755**	1 708	**1 439**	2 004
LTIFR (Fatalities)	**11,1(0)**	8,9(0)	**5,0(1)**	5,7(0)	**10,6(0)**	16,3(0)	**5,6(0)**	6,3(0)

Murray & Roberts Steel experienced high levels of volume and price volatility in the year and a R200 million stock impairment was recognised. Hall Longmore had difficulty with the performance of the specialist coating plant as part of its R200 million production upgrade. There was lower demand from the residential and commercial building sector and a decision has been taken to bring the Ocon and Technicrete businesses closer together.

The 20% minority in Ocon was acquired effective 1 July 2008 and Harvey Roofing was disposed of effective 31 July 2008.

Dr Orrie Fenn, a civil engineer, will join the Group as Executive Chairman of the cluster. He joins the Group from PPC where he was chief operating officer. He succeeds Mr Andrew Langham who will take up the role as financial director of Murray & Roberts Limited, the Group's main operating company.

Cementation Group

The three constituent companies are based in Johannesburg South Africa, North Bay in Ontario Canada and Kalgoorlie West Australia. They are coordinated out of London and provide specialist engineering, construction and operational services in the underground environment, to the mining and metals resources sector worldwide.

Consolidated revenues increased 14% to R6,0 billion (2008: R5,2 billion) with operating profit 5,4% up to R428 million (2008: R406 million) at a margin of 7,2% (2008: 7,7%).

R millions*	Cementation Africa		Cementation Canada		RUC Cementation	
	2009	2008	**2009**	2008	**2009**	2008
Revenues*	**3 441**	2 981	**2 137**	1 838	**385**	425
Operating Profit*	**210**	140	**187**	206	**31**	60
Margin	**6,1%**	4,7%	**8,8%**	11,2%	**8,1%**	14,1%
People	**11 530**	15 625	**704**	1 394	**149**	218
LTIFR (Fatalities)	**5,2(3)**	3,9(7)	**1,2(0)**	2,7(0)	**12,5(0)**	7,6(0)
Order Book*	**2 700**	3 200	**2 700**	2 000	**500**	600

The mining resources sector worldwide was severely impacted by the global economic crisis and the Cementation companies had R533 million of work terminated, as well as about R152 million of probable pipeline. Market conditions have stabilised as commodity prices recovered off their lows, but it will be at least 12 months before significant new work materialises. In the meantime new markets are being engaged in Chile and a number of countries in Asia and the Rest of Africa.

It is anticipated that the Cementation companies will be consolidated into a single business by the end of the financial year.

Middle East

The Middle East market is coordinated out of Dubai in the United Arab Emirates and projects are engaged through separate companies established in each jurisdiction and in joint venture with appropriate local partners. The primary market focus is major commercial facilities and selected infrastructure projects where the Group has a defined competitive advantage.

Consolidated revenues increased 26% to R3,6 billion (2008: R2,8 billion) with operating profit 49% up to R350 million (2008: R234 million) at a margin of 9,8% (2008: 8,3%).

The Emirate of Dubai and to a lesser extent the Kingdom of Bahrain were severely impacted by the global economic crisis and R17 billion of work was terminated. The Group embarked on a strategic move into the Emirate of Abu Dhabi which is proving to be a more sustainable market.

A partnership has been formed with Saudi Oger specifically to engage selected major project opportunities in the Kingdom of Saudi Arabia and elsewhere in the region as appropriate.

Clough

The company is based in Perth West Australia and is generally focused on the upstream oil & gas sector and strategically focused on the LNG (liquid natural gas) markets of Australasia and deep water SURF (submarine umbilical and riser flow) markets within the various oil provinces of the Atlantic Ocean along the North and South America and Africa coastlines.

Clough consolidated its turnaround and delivered a creditable performance in the year, including the resolution of legacy matters and disposal of non-core assets.

Revenues increased 15% to R4,2 billion (2008: R3,6 billion) with operating profit 67% up to R342 million (2008: R204 million) at a margin of 8,2% (2008: 5,6%).

Indonesian subsidiary PT Petrosea was sold effective 6 July 2009 and is reflected as a discontinued operation in the income statement and an asset held-for-sale in the balance sheet. The terms of settlement of the G1 project dispute in India were settled in the year but no recognition has been taken pending the outcome of an Indian taxation authority ruling.

Full details on the Clough financial results for the year to 30 June 2009 and its prospects statement are available on www.clough.com.au

Investments

Five companies, Murray & Roberts Concessions, Murray & Roberts Properties, Toll Road Concessionaires (Tolcon), Johnson Arabia and Union Carriage & Wagon (UCW) do not naturally fall into the above clusters and have been grouped as investments, each being the responsibility of an appropriate and focused executive team.

Consolidated revenues increased 42% to R1,7 billion (2008: R1,2 billion) with operating profit up 14% to R432 million (2008: R380 million) at a margin of 25,4% (2008: 31,7%).

Major Projects

The scale and duration of major projects secured by the Group over the past few years presents a number of challenges, not least of which is revenue recognition, such that neither present nor future shareholders are unduly prejudiced or advantaged relative to one another.

Involvement in major transport system, power station, locomotive, pipeline, stadium and Middle East projects makes this a permanent feature of the Group's accounts. The Group directors and executives have ensured the right level of capacity and external advice to manage this feature.

Murray & Roberts has a 25% share in the 20 year concession for the Gautrain project and in the system operator and has a 45% share in the construction of infrastructure for the project. The project has suffered delay and disruption against which claims and variation notices have been submitted but not yet resolved in terms of the relevant contracts. Gauteng Province has requested a proposal to accelerate Phase 1 of Gautrain to achieve completion in time for the 2010 FIFA World Cup.

The Group has a 40% share in the Dubai Concourse 2 project where the final account settlement has been in progress since hand-over to the client in October 2008.

The level of revenue recognition on the above projects, which includes a portion of the claims submitted, is prudent and justifiable in terms of each contract, given the complexity and magnitude of claims and variation orders still to be resolved.

Health Safety and the Environment

The Group, its directors and management regret the loss of 9 (nine) employees in the 2009 financial year (2008: 16 employees and subcontractors) as a result of fatal accidents in the workplace. Ten months in the 2009 financial year were fatality free and there is absolute commitment to ensure that the Group achieves and sustains its target of Zero Fatalities and Disabling Injuries.

Stop. Think is the primary branding for health safety and environment (HSE) awareness across the Group. A safety lead indicator is the lost time injury frequency rate (LTIFR) which continued a five year downward trend towards a Group target of 1,0 and increased marginally to 2,89 for the 12 months to 30 June 2009 (2008: 2,44).

The Group's safety challenge persists primarily in South Africa, with all international and Rest of SADC operations showing best-in-class performance characteristics. The solution to this challenge is not obvious. The forensic investigation into every fatal and significant accident shows human error in both system override and awareness behaviour. For this reason the Group has commenced behaviour correction and awareness training as a sustainable intervention to complement conventional safety management practice and procedure.

Black Economic Empowerment

The Group achieved Level 5 status in compliance with the codes of good practice and legislation concerning broad-based black economic empowerment (BBBEE) in South Africa. Many operations also improved their ratings through the year.

Total economic value created to date for an estimated 20 000 employees and community participants in the Group's share-based ownership and trust scheme was reduced to about R1,2 billion (2008: R2,0 billion) primarily due to the stock market collapse associated with the global economic crisis.

Skills Training and Development

Although the economic slowdown has tempered demand for construction and engineering services in the short-term, this is seen as temporary and the Group has continued with its broad range of training and development interventions and programs. A number of skills enhancement initiatives are undertaken in industry partnerships and in association with South Africa's Department of Education.

The Group funded 193 bursars at various universities and technikons in South Africa during the 2009 financial year and approximately 10 000 employees undertook skills enhancement and training development.

Directors and Management

The Group continued to strengthen and diversify its governance and leadership capacity. Mr Alan Knott-Craig and Adv Mahlape Sello were appointed independent non-executive directors in November 2008 and February 2009 respectively. This followed the mandatory retirement of Messrs Boetie van Zyl and Martin Shaw at the annual general meeting in October 2008, when Mr Keith Smith also retired as an executive director.

Mr Trevor Fowler and Dr Orrie Fenn will join the Group over the next few months and will be appointed executive directors from their respective dates of engagement.

Mr Murray Easton joins the Group from the UK in September 2009 as Group Chief Engineer and leader of the Group nuclear strategy. He will be appointed with initial executive responsibility for the Fabrication & Manufacture businesses.

Mr Malose Chaba has been appointed to the new role of Group Head of Assurance and an executive director with effect from 1 September 2009. Mr Chaba meets all the attributes required of the chief audit executive in terms of the draft King III and his role will consolidate all aspects of the Group's risk management, internal audit, health safety and environment, technical and project review, and systems compliance.

Mr Andrew Langham is appointed financial director of Murray & Roberts Limited, the Group's main operating company, with effect from 1 September 2009.

These appointments enhance both capacity and diversity in the Group leadership team in preparation for the period ahead.

Prospects

Murray & Roberts is a resilient organisation with a strong and experienced executive leadership team with deep institutional skills and commitment within its people. The Group is confident that the current slowdown in fixed capital formation is temporary and that markets remain on course for a long-term growth trajectory.

The Project Opportunity Pipeline, which records opportunities of interest to the Group and that have already been filtered through the Opportunity Management System, stood at R71 billion at 30 June 2009 (2008: R96 billion). A total of R56 billion of projects in the pipeline were terminated in the financial year.

In addition, the Group is preparing itself for a South African nuclear strategy, to engage proactively in the resolution of South Africa's human settlement challenge and seek appropriate opportunities for the development of economic infrastructure in the Rest of Africa. Further acquisition opportunities are being considered and the Group's international operations have plans to expand their markets in Middle East, South America and Asia.

While the Group does expect growth in the year ahead, if not in all companies and markets then from the new markets and opportunities it has committed to engage, volatility of the SA Rand against the US Dollar and other international currencies may impact the translation of the Group's 40% international earnings

The 2009 Annual Report will be published before end-September and includes more detailed information covering the performance and operations of the Group. A business update will be given at the annual general meeting to be held on Wednesday 21 October 2009. It is expected that more information concerning prospects in the market and the ongoing impact of the global economic crisis will be available at that time.

The financial information on which this prospects statement is based has not been audited or reviewed by the Group's auditors.

On behalf of the directors

Roy Andersen	**Brian Bruce**	**Roger Rees**
Chairman of the Board	Group Chief Executive	Group Financial Director

Bedfordview
26 August 2009

Notice to Shareholders

Declaration of final ordinary dividend (No. 115)

Notice is hereby given that the final ordinary cash dividend No. 115 of 133 cents per share (2008: 119 cents per share) in respect of the financial year ended 30 June 2009 has been declared payable to shareholders recorded in the register at the close of business on Friday 16 October 2009.

The salient dates for the final ordinary cash dividend are as follows:

Last day to trade cum the dividend	Friday 9 October 2009
Shares commence trading ex dividend	Monday 12 October 2009
Record date	Friday 16 October 2009
Payment date	Monday 19 October 2009

Share certificates may not be dematerialised or re-materialised between Monday 12 October 2009 and Friday 16 October 2009, both days inclusive.

On Monday 19 October 2009 the dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques will be dated and posted on 19 October 2009.

Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday 19 October 2009.

By order of the Board

Y Karodia
Group Secretary

Bedfordview
26 August 2009

Murray & Roberts Holdings Limited Registration No. 1948/029826/06

Directors:
RC Andersen* (Chairman) BC Bruce (Managing & Group Chief Executive) DD Barber*
SJ Flanagan ADVC Knott-Craig* NM Magau* JM McMahon* IN Mkhize* RW Rees[1]
AA Routledge* M Sello* SP Sibisi* RT Vice*

[1] British *Non-executive

Secretary:
Y Karodia

Registered office:
Douglas Roberts Centre,
22 Skeen Boulevard,
Bedfordview 2007
PO Box 1000
Bedfordview 2008

Registrar:
Link Market Services South Africa (Proprietary) Limited
11 Diagonal Street,
Johannesburg 2001
PO Box 4844
Johannesburg 2000