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Murray & Roberts

Unaudited Summarised Consolidated Results

for the six months to 31 December 2005

in accordance with International Financial Reporting Standards (IFRS)

Murray & Roberts Holdings Limited
(Registration No. 1948/029826/06)
("Murray & Roberts" or "the Group")
Share code: MUR ISIN code: ZAE0000073441

HIGHLIGHTS

- ✓ Interim dividend up 33% to 20 cents per share
- ✓ Operating profit up 50%
- ✓ Operating cash flow up R107 million
- ✓ Strong order book up 13% to R9,6 billion
- ✓ Headline earnings maintained (excluding BBBEE transaction)
- ✓ Empowerment transaction concluded

Over the past six months, Murray & Roberts has secured a leading partnership position in a number of major public sector programs.

- VRESAP Pipeline for TCTA
- Pebble Bed Modular Reactor Demonstration Plant for PBMR
- Coalink Locomotive Program for Spoornet
- Gautrain Rapid Rail Link for Gauteng Province
- Engineering Services for ESKOM Generation Expansion

} **Total Investment Value > R 100 billion**

This positions Murray & Roberts at the forefront of the South African engineering & construction market.

Summarised consolidated income statement

R millions	31.12.05	Restated 31.12.04	Restated 30.6.05
Revenue	**5 528**	5 089	10 282
Earnings before interest, exceptional items, depreciation and amortisation (EBITDA)	**416**	311	772
Depreciation	**(111)**	(109)	(221)
Amortisation of intangible assets	**(4)**	(1)	(2)
Earnings before interest and exceptional items (EBIT)	**301**	201	549
Exceptional items	**(96)**	90	75
Headlease and other property activities	**–**	7	11
Broad-based black economic empowerment (BBBEE) expense	**(95)**	–	–
Other	**(1)**	83	64
Earnings before interest and taxation	**205**	291	624
Net interest income (expense)	**21**	(5)	–
Earnings before taxation	**226**	286	624
Taxation	**(58)**	(64)	(152)
Earnings after taxation	**168**	222	472
(Loss) income from associates	**(13)**	68	77
Earnings from continuing operations	**155**	290	549
Earnings from discontinued operations (notes 2.4 and 3)	**14**	(27)	(49)
Attributable earnings for the period	**169**	263	500
Attributable to:			
Minority interest	**21**	9	30
Ordinary shareholders	**148**	254	470
	169	263	500
Reconciliation of headline earnings			
Attributable earnings to ordinary shareholders	**148**	254	470
Non-headline exceptional items	**1**	(90)	(75)
(Profit) loss on disposal of discontinued operations	**(18)**	28	53
Taxation on above adjustments	**4**	17	16
Non-headline portion of income from associate	**–**	–	3
Headline earnings	**135**	209	467
Reconciliation of weighted average number of shares in issue (000)			
Weighted average number of ordinary shares in issue	**331 893**	331 893	331 893
Less: weighted average number of shares held by The Murray & Roberts Trust	**(13 455)**	(13 640)	(13 664)
Less: weighted average number of shares held by the Letsema BBBEE trusts	**(1 840)**	–	–
Weighted average number of shares used for basic per share figures	**316 598**	318 253	318 229
Add: dilutive adjustment for share options	**5 864**	5 018	4 611
Weighted average number of shares used for diluted per share figures	**322 462**	323 271	322 840
Earnings per share (cents)			
– Diluted	**46**	79	146
– Basic	**47**	80	148
Earnings per share from continuing operations (cents)			
– Diluted	**42**	87	161
– Basic	**42**	88	163
Headline earnings per share (cents)			
– Diluted	**42**	65	145
– Basic	**43**	66	147
Total dividend per ordinary share (cents)	**20**	15	45
Operating cash flow per share (cents)	**–**	(32)	201
Reconciliation of headline earnings excluding BBBEE expense			
Headline earnings as above	**135**	209	467
BBBEE expense	**95**	–	–
Taxation effect on BBBEE expense	**(22)**	–	–
Headline earnings excluding BBBEE expense	**208**	209	467
Headline earnings per share excluding BBBEE expense (cents)			
– Diluted	**65**	65	145
– Basic	**66**	66	147

Summarised consolidated balance sheet

R millions	31.12.05	Restated 31.12.04	Restated 30.6.05
ASSETS			
Non-current assets	**2 860**	2 250	2 500
Property, plant and equipment	**1 414**	1 341	1 378
Investment property	**257**	270	259
Associate companies	**766**	407	505
Other investments	**423**	232	358
Current assets	**3 551**	4 269	4 779
Accounts receivable and other	**2 438**	3 693	2 848
Bank balances and cash	**1 113**	576	1 931
Total tangible assets	**6 411**	6 519	7 279
Goodwill	**93**	48	48
Other intangible assets	**65**	9	18
Deferred taxation assets	**21**	28	21
TOTAL ASSETS	**6 590**	6 604	7 366
EQUITY AND LIABILITIES			
Permanent capital (Total equity)	**2 793**	2 841	3 156
Ordinary shareholders' funds	**2 700**	2 801	3 055
Minority shareholders' interest	**93**	40	101
Non-current liabilities	**859**	741	869
Long-term provision	**4**	20	5
Obligations under finance headleases*	**253**	321	274
Other long-term liabilities*	**355**	302	339
Deferred taxation liabilities	**247**	98	251
Current liabilities	**2 938**	3 022	3 341
Accounts payable and other	**2 308**	2 489	2 938
Bank overdrafts and short-term loans*	**630**	533	403
TOTAL EQUITY AND LIABILITIES	**6 590**	6 604	7 366
Net asset value per share (cents)	**882**	893	992

* Interest-bearing borrowings

SUPPLEMENTARY INFORMATION (R millions)			
Commitments			
Capital expenditure			
– spent	**185**	151	308
– authorised but unspent	**248**	240	396
Operating lease commitments	**209**	40	236
Contingent liabilities	**124**	67	157
Financial institution guarantees	**2 061**	1 352	1 788

Summarised consolidated cash flow statement

R millions	31.12.05	Restated 31.12.04	Restated 30.6.05
Cash generated by operations before working capital changes	**370**	301	714
Cash outflow from exceptional items relating to BBBEE	**(74)**	–	–
Cash outflow from headlease and other property activities	**(39)**	(31)	(68)
(Increase) decrease in working capital	**(217)**	(362)	33
Cash generated by operations	**40**	(92)	679
Interest and taxation	**(39)**	(14)	(11)
Operating cash flow	**1**	(106)	668
Dividends paid	**(96)**	(96)	(143)
Dividends paid to minority shareholders	**(22)**	(17)	(20)
Cash (utilised) retained in operations	**(117)**	(219)	505
Net investment activities	**(951)**	(618)	102
Property, plant and equipment and intangible assets (net)	**(179)**	(102)	(225)
Business acquisitions / disposals (net)	**(344)**	(559)	317
Treasury share acquisition relating to the BBBEE transaction	**(421)**	–	–
Other (net)	**(7)**	43	10
Net funds flow	**(1 068)**	(837)	607

Summarised statement of changes in equity

R millions	31.12.05	Restated 31.12.04	Restated 30.6.05
Opening balance	**3 156**	2 737	2 737
Earnings attributable to ordinary shareholders	**148**	254	470
Earnings attributable to minority shareholders	**21**	9	30
Other movements in minority interest	**(29)**	(28)	12
Movement in share-based payment reserve	**23**	2	4
Movement in non-trading financial asset reserve	**–**	16	16
Movement in hedging reserve	**–**	–	3
Foreign currency translation movement on investments	**(31)**	(53)	47
Movement in treasury shares	**(399)**	–	(20)
Dividend declared and paid	**(96)**	(96)	(143)
	2 793	2 841	3 156

Segmental analysis

R millions	31.12.05	Restated 31.12.04	Restated 30.6.05
REVENUE			
Construction & engineering	**3 124**	3 228	6 229
Construction materials & services	**1 983**	1 435	3 183
Fabrication & manufacture	**421**	426	869
Corporate	**–**	–	1
Ongoing operations	**5 528**	5 089	10 282
Discontinued operations (note 3)	**46**	269	403
Total revenue	**5 574**	5 358	10 685
EBIT			
Construction & engineering	**94**	65	240
Construction materials & services	**226**	142	326
Fabrication & manufacture	**39**	43	101
Corporate	**(58)**	(49)	(118)
Ongoing operations	**301**	201	549
Discontinued operations (note 3)	**1**	2	12
Total EBIT	**302**	203	561

Notes

1. Basis of preparation

The Group has adopted International Financial Reporting Standards (IFRS) for the year ending 30 June 2006, with a date of transition of 1 July 2004. Previously the consolidated results were prepared in accordance with South African Generally Accepted Accounting Practice (SA GAAP). These interim results have been prepared and presented in accordance with IAS34: *Interim Financial Reporting.*

The financial statements for the year ending 30 June 2006 will be the Group's first consolidated IFRS-compliant financial statements and hence IFRS1: *First-time Adoption of IFRS* has been applied in preparing this interim report. Comparative information has been restated as required by IFRS and is ***reflected as "unaudited"*** as the adjustments have not been audited by the Group's external auditors. The interim financial information does not include all the relevant information required by IFRS for full annual financial statements.

These interim financial statements have been prepared in accordance with those IFRS standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective as at the time of preparing these interim statements. The IFRS standards and IFRIC interpretations that will be applicable at 30 June 2006 are not known with certainty at the time of preparing these interim financial statements and may therefore still change. Other changes to the presentation of information may be made in the statutory annual financial statements.

2. Significant changes to the Group's accounting policies

2.1 Property, plant and equipment

Useful lives and residual values of certain items of property, plant and equipment were reassessed in accordance with the criteria of *IAS16: Property, Plant and Equipment* (revised). In future, residual values of all property, plant and equipment will be reassessed on an annual basis. Previously residual values were only assessed on initial recognition of the specific items and were not subject to annual reassessment. The continuous reassessment typically leads to a change in depreciation charges annually. Depreciation ceases when the residual value of an asset equals or exceeds its carrying value.

Items of property, plant and equipment that were previously fully depreciated, were reinstated to reflect the applicable useful lives and residual values from their respective dates of acquisition. Where not practicable, the Group has elected to measure individual items of property, plant and equipment at fair value on 1 July 2004. In future those fair values are deemed to be cost at that date.

Where significant components of an item of property, plant and equipment have different useful lives or residual values those components are accounted for as separate items of property, plant and equipment. Previously all parts of an item of property, plant and equipment were depreciated at the same rate.

2.2 Share-based payment transactions

In accordance with IFRS2: *Share-based Payment* the fair value of share options granted to employees is recognised as an employee expense in operating profit with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments (the vesting period). The fair value of the instruments granted is measured using an appropriate valuation technique, taking into account the terms and conditions upon which the instruments are granted. This accounting policy has been applied to all share options granted after 7 November 2002 that had not yet vested at 1 January 2005. Previously such expenses were not recognised in the income statement.

2.3 Presentation of minority interest in subsidiary companies

Minority interests are now reflected as part of equity. Any change in ownership interest in subsidiary companies without a change in control is recognised as an equity transaction in the consolidated financial statements.

2.4 Discontinued operations

In accordance with the requirements of IFRS5: *Non-current Assets Held-For-Sale and Discontinued Operations*, the financial results of discontinued operations are reported as one line item in the income statement and not on a line-by-line basis. Refer to note 3.

2.5 Interest free receivables and the recognition of revenue

IAS 39: Financial Instruments: Recognition and Measurement requires that imputed interest be recognised on interest free receivables. *IAS18: Revenue* further requires that revenue be recognised at the fair value of the consideration received or receivable. Accordingly, where the fair value of the Group's consideration is significantly impacted by the time value of money, a portion of the revenue has been deemed to be interest income recognised on a time apportionment basis. This has resulted in a decrease in recognised revenue and certain financial receivables and liabilities.

2.6 Reclassifications and disclosure adjustments

In addition to the above adjustments certain reclassifications and disclosure adjustments were made to the balance sheet presentation, most notably the reallocation of certain interest-bearing liabilities from accounts payable to short-term loans and the separation of computer software from property, plant and equipment into intangible assets. The depreciation of these intangible assets is now reflected as amortisation of intangible assets in the income statement.

R millions	IFRS transition 01.07.04	Restated 31.12.04	Restated 30.6.05
Reclassification of balance sheet items under IFRS and SA GAAP improvements			
Property, plant and equipment	(2)	(13)	(13)
Investment property	–	10	–
Other investments	–	(41)	–
Associate companies	1	1	–
Other investments	(4)	(3)	(2)
Accounts receivable and other	(4)	(4)	(3)
Bank balances and cash	(37)	–	(2)
Intangible assets	9	9	18
Other long-term liabilities	–	(168)	–
Accounts payable and other	66	60	24
Bank overdrafts and short-term loans	(29)	149	(22)
2.7 Reconciliation of equity			
BALANCE SHEET			
Equity previously reported under SA GAAP	2 603	2 676	2 967
SA GAAP adjustments			
Adjustment to depreciation of headlease investment property	–	7	–
Goodwill impairment	(5)	–	–
Accounts receivable and other – recognition of operating lease income on a straight-line basis*	–	104	–
Accounts payable and other – recognition of operating lease expense on a straight-line basis*	–	(102)	–
IFRS adjustments			
Property, plant and equipment	159	179	197
Accounts receivable and other - impairment provision and discounting of receivables	29	(20)	(14)
Goodwill	–	(8)	–
Reclassification of minority interest as equity	54	40	92
Accounts payable and other	(90)	(26)	(22)
Deferred taxation impact on IFRS adjustments	(13)	(9)	(64)
Equity as reported under IFRS	2 737	2 841	3 156

2.8 Income statement adjustments R millions	Restated 31.12.04	Restated 30.6.05
INCOME STATEMENT		
Earnings attributable to ordinary shareholders as reported under SA GAAP	244	448
SA GAAP adjustments		
Adjustment to depreciation of headlease investment property	2	–
Recognition of operating lease income and expense on a straight-line basis*	4	–
Goodwill	5	5
IFRS adjustments		
Revenue recognition	(4)	(8)
Loss on disposal of minority interest in subsidiary companies	–	4
Property, plant and equipment - depreciation	12	22
Intangible assets - amortisation	(1)	(2)
Share options expense	(2)	(4)
Deferred taxation impact on IFRS adjustments	(2)	(5)
Cumulative impact of other non-material adjustments	(4)	10
Earnings attributable to ordinary shareholders as reported under IFRS	254	470

*June 2005 was previously adjusted for the recognition of operating leases on a straight-line basis.

3. Earnings from discontinued operations

On 1 October 2005, the Group disposed its forklift truck distribution business Criterion Equipment for approximately R90 million. The comparative numbers include businesses that were closed or disposed off in the prior year, being Consani Engineering, Improvair and Booker Tate.

R millions	31.12.05	31.12.04	30.6.05
The earnings from the discontinued operation is analysed as follows:			
Profit (loss) on disposal/closure	**18**	(28)	(53)
Earnings after taxation for the period	**(4)**	1	4
	14	(27)	(49)
The earnings after taxation for the period is analysed as follows:			
Revenue	**46**	269	403
EBITDA	**2**	7	19
Depreciation	**(1)**	(5)	(7)
EBIT	**1**	2	12
Net interest expense	**(1)**	(4)	(5)
Earnings before taxation	**–**	(2)	7
Taxation	**(4)**	3	(3)
Earnings after taxation	**(4)**	1	4

"Our commitment to sustainable earnings growth and value creation is not negotiable"

Globalising Murray & Roberts

Commentary

On behalf of the directors we are pleased to announce a 33% increase in the interim ordinary dividend to 20 cents per share in respect of the half-year ended 31 December 2005. This reflects our confidence in the prospects for our markets and the strategy of the Group following five years of Rebuilding Murray & Roberts. It is the intention of the Board to proceed with a dividend policy of between 2,8 and 3,2 times cover on full-year headline earnings. Attention is drawn to the formal dividend announcement contained herein.

Headline earnings for the half-year include an expense of R95 million relating to the Group's Broad-Based Black Economic Empowerment (BBBEE) transaction. Excluding this expense, headline earnings of 65 cents per share for the previous half-year to 30 December 2004 has been maintained. Changes in the income statement relative to the previous reporting period reflect disposal of the Group's minority interest in Unitrans and the impact of new acquisitions including Ocon Brick and associate Clough.

Ongoing operating profit increased by 50% to R301 million (2004: R201 million) with improved contributions from all business segments. Ongoing revenues for the period increased marginally by 9%, with the Group's SADC construction activities recording a relative 30% decline in turnover.

Despite a poor interim result from SADC Construction, the Construction & Engineering sector recorded strong growth in operating profits on a turnaround in both Middle East Construction and in Engineering, supported by good growth in Mining Contracting. The result includes a fair value adjustment on concession investments at a similar level to the prior half-year.

The South African construction economy continues to offer growth. An increase in infrastructure investment is benefiting the Group's Construction Materials & Services operations. The building materials market remains buoyant and the inclusion of new acquisition Ocon Brick has boosted the half-year performance in this sector.

Closure and disposal of non-core businesses and the impact of a strong currency resulted in a slight decline in performance from the Fabrication & Manufacture sector.

Minority partners in our business activities recorded an increase in after tax profits to R21 million (2004: R9 million) for the period.

Associate company Clough is working through its historic problem contracts. A loss of R13 million has been recorded in the Group's half-year accounts which recognises an adjustment for pre-acquisition project losses in Clough. The board of Clough has informed its shareholders that its "Outlook for the second half of the financial year is a significant improvement to that recorded thus far."

Most of the net financing income of R21 million (2004: expense of R5 million) will be reversed in the second half of the financial year. This follows recent and planned cash outflows of more than R1,0 billion to fund the Ocon Brick, Clough, Concor and Empowerment transactions. The interim tax charge of R58 million (2004: R64 million including capital gains tax of R17 million on the surplus from the sale of Unitrans) is at a normalised rate of 26% (2004: 16%).

Cash generated by operations before working capital changes improved 23% to R370 million (2004: R301 million) and cash outflows to fund working capital reduced by 40% to R217 million (2004: R362 million). Cash management is a focus throughout the Group, although we are experiencing a trend to delayed payment and longer final account settlement in all our contracting operations.

Order Book

The Construction & Engineering order book increased by 13% to R9,6 billion at 31 December 2005, up from R8,5 billion at 30 June 2005. This excludes the Group's share of the Gautrain Project estimated at R4,5 billion over a 54 month period following financial closure.

The UCW Partnership (70% Murray & Roberts) is a participant in the recently announced Spoornet locomotive project for South Africa's coal export system. The value to the Group is approximately R1,0 billion over 5 years, which amount is not recorded in the order book.

The order book comprises Construction Middle East at R2,8 billion (R3,4 billion); Construction SADC at R2,7 billion (R1,2 billion); Mining Contracting at R3,4 billion (R3,4 billion); and Engineering at R0,7 billion (R0,4 billion). The amounts in brackets are the comparative levels at 30 June 2005. The regional composition of order book is SADC 64% (52%); Middle East 29% (39%); and Rest of World 7% (9%).

Empowerment

We concluded our primary BBBEE transaction on 19 December 2005 and four independent trusts have been established that own 10% of the shares of the Group and through which dividend flows will benefit designated persons.

Acquisitions and Disposals

The Group acquired 80% of Ocon Brick Manufacturing effective 1 August 2005 for a consideration of R96 million.

The Group increased its shareholding in Clough Limited, based in Perth Australia, to 46,1% in November 2005, for a consideration of approximately R225 million, plus rights to a further 3,0% on conversion of a loan facility of AUD15 million. The Group has indicated it will raise its shareholding above 50% once Clough is delivering acceptable financial performance, which is expected by mid-2008.

Criterion Equipment was sold effective 1 October 2005 to Jay & Jayendra Group in an empowerment transaction valued at R92,7 million, of which R45 million was supported through a vendor financing structure.

The Scheme of Arrangement relating to the acquisition of 100% of Concor Limited and its delisting from the JSE Limited has been sanctioned by the High Court, conditional on approval by the South African competition authorities. The cost of the transaction will be approximately R330 million.

International Financial Reporting Standards (IFRS)

The Group adopted IFRS with effect from 1 July 2005. Appropriate detail of the changes is included in the unaudited half-year accounts to 31 December 2005 and the notes thereto. Although the impact has not been material to date, it is possible that there may be further adjustments in the full-year accounts to 30 June 2006.

There has been a restatement of headline earnings for the year ended 30 June 2005, increasing performance in that year to 145 cents per share.

Prospects

A new performance platform has been established over the five years Rebuilding Murray & Roberts. Some aspects of the business must still show evidence of sustainable earnings growth and value creation, which remain a priority.

Murray & Roberts has played a leadership role over more than 100 years in the development and construction of South Africa's social and economic infrastructure. The renewed commitment by the South African government to invest in primary infrastructure has delivered new opportunity to the Group and its partners over the past six months. In this respect the PBMR Nuclear Demonstration Plant, Vresap Pipeline, Gautrain Rapid Rail Link, Coalink Locomotives and Eskom's expansion program are five initiatives in which the Group is contracted to play a key partnership role. In total these projects and programs represent more than R100 billion of gross fixed capital formation over the next five to ten years.

The charge of R95 million to the income statement relating to the granting of shares to almost 14 000 employees in terms of the Group's BBBEE transaction has the effect of reducing headline earnings by 23 cents per share. Excluding this, headline earnings per share should show real growth for the full year to 30 June 2006 over the IFRS restated comparative.

Roy Andersen
Chairman of the Board

Brian Bruce
Group Chief Executive

Roger Rees
Group Financial Director

Bedfordview
2 March 2006

Notice to shareholders

Declaration of interim ordinary dividend (No. 108)

Notice is hereby given that an interim ordinary dividend No. 108 of 20 cents per share (2005: 15 cents per share) in respect of the financial year ending 30 June 2006 has been declared payable to shareholders recorded in the register at the close of business on Thursday 13 April 2006.

Salient dates

Last day to trade *cum* the dividend	Thursday 6 April 2006
Trading *ex* dividend commences	Friday 7 April 2006
Record date	Thursday 13 April 2006
Payment date	Tuesday 18 April 2006

Share certificates may not be dematerialised or re-materialised between Friday 7 April 2006 and Thursday 13 April 2006 both days inclusive.

On Tuesday 18 April 2006 the interim 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 dated 18 April 2006 will be posted on that date.

Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Tuesday 18 April 2006.

By order of the Board

SF Linford
Company Secretary

Bedfordview
2 March 2006

Murray & Roberts Holdings Limited (Registration number 1948/029826/06)

Directors:
RC Andersen* (Chairman) BC Bruce (Managing & Group Chief Executive) SJ Flanagan SE Funde* N Jorek[3] SJ Macozoma* NM Magau* JM McMahon* IN Mkhize* RW Rees[1] AA Routledge* MJ Shaw* KE Smith[2] JJM van Zyl* RT Vice*

[1]British [2]Irish [3]German *Non-executive

Secretary:
SF Linford

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