

MUR - Murray & Roberts Holdings Limited - Unaudite

28 Feb 2007

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MUR - Murray & Roberts Holdings Limited - Unaudited Condensed Consolidated
Results for the six months to 31 December 2006

Murray & Roberts Holdings Limited

(Registration No. 1948/029826/06)

("Murray & Roberts" or "the Group")

Share code: MUR & ISIN code: ZAE000073441

Unaudited Condensed Consolidated Results for the six months to 31 December 2006

website: www.murrob.com e-mail: clientservice@murrob.com

Highlights

Interim dividend up 125% to 45 cents per share

Headline earnings up 108% to 135 cents per share

Order book up 54% to R15,4 billion

Revenue up 55%

6,5% Operating margin

22,3% Return on Average Shareholder Funds

R485 million Operating Cash inflow

Condensed consolidated income statement

| | for the six months ended 31 December 2006 | | | Audited Annual |
|--|--|----------|--|-------------------|
| R millions | 31.12.06 | 31.12.05 | | 30.6.06 |
| Revenue | 8 581 | 5 528 | | 11 920 |
| Earnings before interest, exceptional items, depreciation and amortisation | 739 | 416 | | 1 044 |
| Depreciation | (168) | (111) | | (228) |
| Amortisation of intangible assets | (11) | (4) | | (16) |
| Earnings before interest and exceptional items | 560 | 301 | | 800 |
| Exceptional items | (35) | (96) | | (85) |
| Headlease and other property activities 1 | 8 | - | | 4 |
| Broad-based black economic empowerment (BBBEE) expense | - | (95) | | (87) |
| Loss on disposal of investment | (48) | - | | - |
| Income on liquidation of Consani | 15 | - | | - |
| Other | (10) | (1) | | (2) |
| Earnings before interest and taxation 2 | 525 | 205 | | 715 |
| Net interest (expense) income | (11) | 21 | | 22 |
| Earnings before taxation | 514 | 226 | | 737 |
| Taxation | (145) | (58) | | (189) |
| Earnings after taxation | 369 | 168 | | 548 |
| Share of profit (loss) of associates | 31 | (13) | | 1 |
| Earnings from continuing operations | 400 | 155 | | 549 |
| Earnings from discontinued operations (note 2) | - | 14 | | 12 |
| Earnings for the period | 400 | 169 | | 561 |
| Attributable to: | | | | |
| Shareholders of the holding company | 360 | 148 | | 512 |
| Minority shareholders | 40 | 21 | | 49 |

| | | | |
|--|----------|----------|----------|
| 400 | 169 | 561 | |
| Earnings per share (cents) | | | |
| - Diluted | 121 | 46 | 165 |
| - Basic | 123 | 47 | 168 |
| Earnings per share from continuing operations (cents) | | | |
| - Diluted | 121 | 42 | 162 |
| - Basic | 123 | 42 | 164 |
| Total dividend per ordinary share (cents) | 45 | 20 | 60 |
| Operating cash flow per share (cents) | 146 | - | 180 |
| 1 The headlease and other property activities include the following: | | | |
| Rental income | 86 | 71 | 144 |
| Interest expense | (21) | (26) | (49) |
| 2 Includes interest expense of R21 million (2005: R26 million) in respect of the headlease and other property activities | | | |
| 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 | 331 893 |
| Less: weighted average number of shares held by The Murray & Roberts Trust | (9 889) | (13 455) | (12 139) |
| Less: weighted average number of shares held by Murray & Roberts Limited | (676) | - | - |
| Less: weighted average number of shares held by the Letsema BBEE trusts | (28 953) | (1 840) | (14 917) |
| Weighted average number of shares used for basic per share figures | 292 375 | 316 598 | 304 837 |
| Add: dilutive adjustment for share options | 6 311 | 5 864 | 5 081 |
| Weighted average number of shares used for diluted per share figures | 298 686 | 322 462 | 309 918 |
| Reconciliation of headline earnings | | | |
| Earnings attributable to shareholders of the holding company | 360 | 148 | 512 |
| Non-headline exceptional items | 43 | 1 | 2 |
| Profit on disposal of discontinued operations | - | (18) | (16) |
| Taxation on above adjustments | - | 4 | 4 |
| Headline earnings | 403 | 135 | 502 |
| Headline earnings per share (cents) | | | |
| - Diluted | 135 | 42 | 162 |
| - Basic | 138 | 43 | 165 |

| | | | |
|---|-----|------|------|
| Reconciliation of headline earnings excl BBBEE expense | | | |
| Headline earnings as above | 403 | 135 | 502 |
| BBBEE expense | - | 95 | 87 |
| Taxation effect on BBBEE expense | - | (22) | (20) |
| Headline earnings excluding BBBEE expense | 403 | 208 | 569 |
| Headline earnings per share excluding BBBEE expense (cents) | | | |
| - Diluted | 135 | 65 | 184 |
| - Basic | 138 | 66 | 187 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | | | |
|---|----------|----------|-------------------|
| for the six months ended 31 December 2006 | | | Audited |
| R millions | 31.12.06 | 31.12.05 | Annual 30.6.06 |
| Cash generated by operations before working capital changes | 676 | 370 | 1 063 |
| Cash outflow from exceptional items relating to BBBEE | - | (74) | (70) |
| Cash outflow from headlease and other property activities | (30) | (39) | (82) |
| Increase in working capital | (100) | (217) | (195) |
| Cash generated by operations | 546 | 40 | 716 |
| Interest and taxation | (61) | (39) | (118) |
| Operating cash flow | 485 | 1 | 598 |
| Dividends paid to shareholders of the holding company | (121) | (96) | (154) |
| Dividends paid to minority shareholders | (11) | (22) | (29) |
| Cash flow from operating activities | 353 | (117) | 415 |
| Cash flow from investing activities | (451) | (540) | (356) |
| Property, plant and equipment and intangible assets (net) | (377) | (179) | (307) |
| Business acquisitions / disposals (net) | (11) | (344) | (126) |
| Other investments (net) | (138) | (10) | 73 |
| Realisation of investment | 75 | - | - |
| Other (net) | - | (7) | 4 |
| Cash flow from financing activities | (4) | (204) | (183) |
| Net movement in borrowings | (4) | 207 | 228 |
| Treasury share acquisition | - | (411) | (411) |
| Net decrease in cash and cash equivalents | (102) | (861) | (124) |
| Net cash and cash equivalents at beginning of period | 1 642 | 1 733 | 1 733 |
| Effect of foreign exchange rates | (9) | (23) | 33 |
| Net cash and cash equivalents at end of period | 1 531 | 849 | 1 642 |

CONDENSED CONSOLIDATED BALANCE SHEET

| | | | |
|------------------------|----------|----------|---------|
| Audited | | | |
| as at 31 December 2006 | | | Annual |
| R millions | 31.12.06 | 31.12.05 | 30.6.06 |
| ASSETS | | | |

| | | | |
|---|--------|---------|--------------------------|
| Non-current assets | 3 924 | 3 039 | 3 589 |
| Property, plant and equipment | 1 920 | 1 414 | 1 714 |
| Investment property | 258 | 257 | 278 |
| Goodwill | 158 | 93 | 147 |
| Other intangible assets | 63 | 65 | 68 |
| Deferred taxation assets | 53 | 21 | 52 |
| Associate companies | 1 054 | 766 | 877 |
| Other investments | 375 | 423 | 435 |
| Other non-current receivables | 43 | - | 18 |
| Current assets | 6 751 | 3 776 | 6 796 |
| Accounts receivable and other | 2 660 | 1 695 | 2 110 |
| Net amounts due from contract customers | 2 338 | 968 | 2 878 |
| Bank balances and cash | 1 753 | 1 113 | 1 808 |
| TOTAL ASSETS | 10 675 | 6 815 | 10 385 |
| EQUITY AND LIABILITIES | | | |
| Total equity | 3 524 | 2 793 | 3 194 |
| Attributable to equity holders of the holding company | 3 377 | 2 700 | 3 086 |
| Minority shareholders' interest | 147 | 93 | 108 |
| Non-current liabilities | 1 178 | 859 | 1 027 |
| Long-term provisions | 10 | 4 | 22 |
| Obligations under finance headleases* | 151 | 253 | 155 |
| Other long-term liabilities* | 622 | 355 | 517 |
| Other non-current liabilities | 32 | - | 36 |
| Deferred taxation liabilities | 363 | 247 | 297 |
| Current liabilities | 5 973 | 3 163 | 6 164 |
| Accounts payable and other | 5 536 | 2 533 | 5 509 |
| Bank overdrafts* | 222 | 264 | 166 |
| Short-term loans* | 215 | 366 | 489 |
| TOTAL EQUITY AND LIABILITIES | 10 675 | 6 815 | 10 385 |
| * Interest-bearing borrowings | | | |
| SUPPLEMENTARY BALANCE SHEET INFORMATION (R millions) | | | |
| Net asset value per share (cents) | 1 180 | 882 | 1 031 |
| Commitments | | | |
| Capital expenditure | | | |
| - spent | 401 | 185 | 294 |
| - authorised but unspent | 640 | 248 | 862 |
| Operating lease commitments | 107 | 209 | 136 |
| Contingent liabilities | 119 | 124 | 131 |
| Financial institution guarantees | 3 522 | 2 061 | 1 945 |
| SEGMENTAL ANALYSIS | | | |
| EBIT | | | |
| | | | before exceptional items |
| R millions | | Revenue | |
| 31 December 2006 | | | |
| Construction & engineering | | 5 308 | 286 |
| Construction materials & services | | 2 739 | 319 |
| Fabrication & manufacture | | 534 | 28 |
| Corporate | | - | (73) |
| Continuing operations | | 8 581 | 560 |
| Discontinued operations (note 2) | | - | - |
| | | 8 581 | 560 |
| 31 December 2005 | | | |
| Construction & engineering | | 3 124 | 94 |
| Construction materials & services | | 1 983 | 226 |
| Fabrication & manufacture | | 421 | 39 |

| | | | |
|-----------------------------------|--------|-------|-----|
| Corporate | - | (58) | |
| Continuing operations | 5 528 | | 301 |
| Discontinued operations (note 2) | 46 | | 1 |
| | 5 574 | | 302 |
| 30 June 2006 | | | |
| Construction & engineering | 6 966 | | 324 |
| Construction materials & services | 3 986 | | 537 |
| Fabrication & manufacture | 968 | | 86 |
| Corporate | - | (147) | |
| Continuing operations | 11 920 | | 800 |
| Discontinued operations (note 2) | 46 | | 1 |
| | 11 966 | | 801 |

CONDENSED STATEMENT OF CHANGES IN EQUITY

| for the six months ended 31 December 2006 | Issued capital | Other capital reserves | Hedging and translation reserves |
|---|-------------------|------------------------------|--|
| R millions | | | |
| Balances at 30 June 2005 | 1 425 | 33 | 17 |
| Earnings attributable to shareholders of the holding company | | | |
| Recognition of financial instruments on acquisition of businesses | | | |
| Deferred taxation recognised directly in equity | | | |
| Earnings attributable to minority shareholders | | | |
| Purchase of minorities | | | |
| Other movements in minority interest | | | |
| Movement in share-based payment reserve | | 24 | |
| Foreign currency translation movement on investments | | | 82 |
| Movement in treasury shares | (411) | | |
| Dividend declared and paid | | | |
| Balances at 30 June 2006 | 1 014 | 57 | 99 |
| Earnings attributable to shareholders of the holding company | | | |
| Earnings attributable to minority shareholders | | | |
| Other movements in minority interest | | | |
| Movement in share-based payment reserve | | 3 | |
| Foreign currency translation movement on investments | | | 50 |
| Dividend declared and paid | | | |
| Balances at 31 December 2006 | 1 014 | 60 | 149 |
| for the six months ended 31 December 2006 | Retained | Minority | |
| R millions | earnings | interest | Total |
| Balances at 30 June 2005 | 1 592 | 97 | 3 164 |
| Earnings attributable to shareholders of the holding company | 512 | | 512 |
| Recognition of financial instruments on acquisition of businesses | (29) | | (29) |
| Deferred taxation recognised directly in equity | (1) | | (1) |

| | | | |
|--|-------|------|-------|
| Earnings attributable to minority shareholders | | 49 | 49 |
| Purchase of minorities | (5) | (14) | (19) |
| Other movements in minority interest | | 6 | 6 |
| Movement in share-based payment reserve | | | 24 |
| Foreign currency translation movement on investments | | | 82 |
| Movement in treasury shares | | | (411) |
| Dividend declared and paid | (154) | (29) | (183) |
| Balances at 30 June 2006 | 1 915 | 109 | 3 194 |
| Earnings attributable to shareholders of the holding company | 360 | | 360 |
| Earnings attributable to minority shareholders | | 40 | 40 |
| Other movements in minority interest | | 9 | 9 |
| Movement in share-based payment reserve | | | 3 |
| Foreign currency translation movement on investments | | | 50 |
| Dividend declared and paid | (121) | (11) | (132) |
| Balances at 31 December 2006 | 2 154 | 147 | 3 524 |

Notes

1. Basis of preparation

This interim report has been prepared and presented in accordance with IAS34: Interim Financial Reporting, the Companies Act 1973 (amended) and is in accordance 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 annual financial statements for the year ended 30 June 2006.

2. Earnings from discontinued operations

There were no disposals of business in the current period. The comparative numbers include businesses that were closed or disposed of in the prior year, being its forklift truck distribution business Criterion Equipment.

| | | | |
|------------|----------|----------|---------|
| R millions | 31.12.06 | 31.12.05 | 30.6.06 |
|------------|----------|----------|---------|

Earnings from the discontinued operation is analysed as follows:

| | | | |
|--|---|-----|-----|
| Profit on disposal / closure | - | 18 | 16 |
| Earnings after taxation for the period | - | (4) | (4) |

- 14 12

Earnings after taxation for the period is analysed as follows:

| | | | |
|--------------------------|---|-----|-----|
| Revenue | - | 46 | 46 |
| EBITDA | - | 2 | 2 |
| Depreciation | - | (1) | (1) |
| EBIT | - | 1 | 1 |
| Net interest expense | - | (1) | (1) |
| Earnings before taxation | - | - | - |
| Taxation | - | (4) | (4) |
| Loss after taxation | - | (4) | (4) |

3 Reclassification of comparatives

The group reclassified an amount of R225 million from net amounts due from contract customers to accounts payables and other for the comparative period ended 31 December 2005. This relates to amounts payable to contract customers that were previously netted off against the amount receivable from contract customers. This was correctly reflected for the period ended 30 June 2006. The above reclassification had no impact on the net assets or total equity of the Group.

Commentary

The directors are pleased to announce a 125% increase in the interim ordinary dividend to 45 cents per share for the half-year ended 31 December 2006 (2005: 20 cents per share). This follows a 108% increase in fully diluted headline earnings per share to 135 cents for the period (2005: 65 cents excluding the BBEE transaction expense). Improved contributions from all core business segments resulted in an 86% increase in operating profit (EBIT) to R560 million (2005: R301 million).

Attention is drawn to the formal dividend announcement contained herein.

Revenue for the period is up 55% to R8,58 billion (2005: R5,52 billion) which includes organic growth of R1,85 billion (33%) and a maiden contribution of R1,2 billion from Concor which was consolidated on acquisition from 1 July 2006.

The interim operating margin of 6,5% (2005: 5,4%) reflects the early-stage turnaround in Construction SADC and solid performances from other core operations. In this respect, Construction & Engineering increased turnover by 70% to R5,3 billion (2005: R3,1 billion) and EBIT by 204% to R286 million (2005: R94 million). This includes a fair value adjustment on concession investments at a similar level to the prior half-year. Construction Materials & Services increased turnover by 38% to R2,7 billion (2005: R2,0 billion) and EBIT by 41% to R319 million (2005: R227 million).

Corporate costs for the half-year are R73 million (2005: R58 million) with the increase largely attributed to investment initiatives in Health and Safety, Risk Management and Leadership Development. The weaker SA Rand has also impacted translation of the Group's international corporate cost.

The effective tax rate remained constant at 26%, but increased profitability has resulted in a 150% increase in the interim tax charge to R145 million (2005: R58 million).

Operating cash inflow was R485 million (2005: R1 million) while working capital outflow improved to R100 million (2005: R217 million). Cash management remains a focus throughout the Group, although we continue to experience delayed progress payments in some markets and longer final account settlements, particularly in Middle East.

Shareholder funds increased to R3,4 billion at 31 December 2006, representing a net asset value (NAV) of 1180 cps. The after tax return on average shareholder funds for the period increased above the Group target of 20,0% to 22,3% (2005: 11,7%).

Order Book and Market

The Gautrain Project was finally secured in September 2006 followed by financial close in January 2007. The Construction & Engineering order book has increased by 54% in the period to R15,4 billion, up from R10,0 billion at 30 June 2006.

This is marginally down on the R16,5 billion reported at the annual general meeting. The Group in joint venture has been confirmed as the contractor for both the Cape Town and Polokwane stadiums for the 2010 Soccer World Cup.

Of the order book, Construction Middle East accounts for R2,4 billion (up 2,2%), Construction SADC for R8,4 billion (up 122%), Engineering for R1,2 billion (up 77%) and Mining Contracting for R3,4 billion (up 8,2%). The regional composition of order book is SADC 78% (71%); Middle East 15% (23%); and Rest of World 7% (6%). The amounts in brackets are the comparative levels at 30 June 2006.

The UCW Partnership (70% Murray & Roberts) was confirmed as a participant in the Spoornet Orex system locomotive project which combined with the Coalink system project awarded earlier in the year, brings the total value to the Group to R1,6 billion over 6 years, which amount is not recorded in the order book.

The South African construction economy continues to offer significant growth potential to the Group's Construction Materials & Services operations.

There is evidence of strong industrial investment on the horizon, with power stations, rolling stock and an aluminium smelter at Coega examples of major public sector driven investment programmes that are still to impact on the market and the Group. These will specifically benefit the Group's engineering and fabrication operations in the future and consolidate demand for high-value construction services.

The Group's Middle East markets remain strong, with a number of new major projects under contract negotiation. This is a competitive and demanding market where various Group operations have established strong brand presence based on

delivery and service performance.

Associate

With projected future losses on its two India contracts provided at 30 June 2006, associate company Clough delivered a turnaround profit for the half-year. Subsequent to the period under review, the Panna contract achieved substantial completion on revised schedule and the BassGas arbitration is awaiting judgement. Negotiations continue on an equitable way forward for the troubled G1 contract.

Mr Michael Harding was appointed independent non-executive chairman of the board of the company at its annual general meeting in November 2006. Mr John Cooper was appointed chief executive and managing director in January 2007, having served as deputy chairman since August 2006 as a nominee director of Murray & Roberts.

In its half-year review, the board of Clough has informed its shareholders that it "expects the second half performance to be similar to that of the first half".

Black Economic Empowerment

Murray & Roberts has committed to a development process that will ensure it meets all the objectives required of it to achieve broad-based black economic empowerment status within its South African listed company and local subsidiary operations. An audit of empowerment within the Group was completed in the reporting period, which forms the foundation for future action in this respect. The Group's ground-breaking broad-based black economic empowerment (BBBEE) transaction concluded in December 2005 ensures that the Group has almost 15% empowerment ownership across all its South African operations. This is specifically enhanced through additional empowerment ownership of between 15% and 30% in companies where charter, legislative or market requirements demand. Based on the Group's current share price and dividend payments, significant value has accrued in just one year to the community trusts, 14000 employees and executives included in the BBBEE structures.

Acquisitions and Disposals

The Group underwrote a further recapitalisation of Clough in December 2006, injecting A\$23,3 million into the company and through the process, secured the right to an additional 0,7% shareholding. A further 3,0% shareholding was acquired on the market for A\$5,1 million in the period, bringing the Group's total current shareholding to 49,0%. On conversion of all existing rights, the Group's shareholding will increase to 53,0% at an average cost of A\$0,54 per share.

The Clough share price has risen steadily over the past two months, trading as high as A\$0,59 per share. The Group plans to raise its shareholding in Clough above 50% and consolidate the company effective 1 July 2007.

Concor Limited was consolidated effective 1 July 2006 and its performance is included in the financial results for the half-year. All regulatory hurdles were cleared in January 2007 for the acquisition of 80% of Wade Walker in South Africa. The company is a leading electrical and instrumentation engineering contractor in the SADC region and will join the engineering sub-cluster.

The Group disposed of its remaining shareholding in Borbet South Africa in the period and has reached an advanced stage in the disposal process of the Foundries Group.

Prospects

The directors are of the considered view that private and public capital formation in South Africa is set to increase further before stabilising above existing levels over a number of years into the future. There is high demand for new investments into power and energy, water and sanitation, transport and communications infrastructure to meet the socio-economic development agenda for South Africa. The Group's Middle East and resources-linked markets also show strong growth and sustainability potential.

Murray & Roberts is the leading construction and engineering group in South Africa and has initiated a number of programs and initiatives to maintain its share of this market and secure the leadership, partners, resources and skills needed to meet this expected increase in demand.

Capital expenditure by the Group increased 116% to R401 million (2005: R185 million) in the half-year, including R100 million in Concor. This is expected to more than double for the full-year with Gautrain and the South African mining

contracting operations largely pre-funded through advance payments from clients. The directors expect fully diluted headline earnings for the full year to 30 June 2007 to grow between 50% and 70% compared with comparable period to 30 June 2006, excluding the Group's BBBEE transaction expenses.

This prospectus statement has not been audited or reviewed.

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

Bedfordview

28 February 2007

Notice to shareholders

Declaration of interim ordinary dividend (No. 110)

Notice is hereby given that an interim ordinary dividend No 110 of 45 cents per share (2006: 20 cents per share) in respect of the financial year ending 30 June 2007 has been declared payable to shareholders recorded in the register at the close of business on Friday 13 April 2007.

Salient dates

| | |
|------------------------------------|------------------------|
| Last day to trade cum the dividend | Wednesday 4 April 2007 |
| Trading ex dividend commences | Thursday 5 April 2007 |
| Record date | Friday 13 April 2007 |
| Payment date | Monday 16 April 2007 |

Share certificates may not be dematerialised or re-materialised between Thursday 5 April 2007 and Friday 13 April 2007 both days inclusive.

On Monday 16 April 2007 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 16 April 2007 will be posted on that date.

Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday 16 April 2007.

By order of the Board

MW Arnold

Acting Company Secretary

Bedfordview

28 February 2007

Murray & Roberts Holdings Limited

(Registration number 1948/029826/06)

Directors:

RC Andersen* (Chairman) BC Bruce (Managing & Group Chief Executive) SJ Flanagan SE Funde* N Jorek3 NM Magau* JM McMahon* IN Mkhize* RW Rees1 AA Routledge* MJ Shaw* KE Smith2 JJM van Zyl* RT Vice*
1British 2Irish 3German *Non-executive

Secretary:

MW Arnold (acting)

Registered office:

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Bedfordview 2008

Registrar:

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

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