

Financial Review

Expressed in Millions of Rand

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
SUMMARISED INCOME STATEMENTS										
Revenue	8 535	13 318	12 972	12 586	12 082	10 746	9 283	7 765	6 779	5 842
Earnings before interest and exceptional items	218	294	203	545	227	575	741	594	530	502
Exceptional items	(3)	(697)	(76)	348	(118)	128	(8)	1	2	2
Earnings/(loss) before interest and taxation	215	(403)	127	893	109	703	733	595	532	504
Net interest	(6)	(64)	(109)	(262)	(308)	(182)	(120)	(107)	(78)	(36)
Earnings/(loss) before taxation	209	(467)	18	631	(199)	521	613	488	454	468
Taxation	(27)	(39)	(32)	(65)	(42)	(128)	(151)	(111)	(91)	(185)
Earnings/(loss) after taxation	182	(506)	(14)	566	(241)	393	462	377	363	283
Income from associate	71	-	-	-	-	-	-	-	-	-
Minority shareholders' interest	(1)	(65)	(52)	(48)	(31)	(18)	(54)	(37)	(30)	(18)
Earnings/(loss) attributable to ordinary shareholders	252	(571)	(66)	518	(272)	375	408	340	333	265
SUMMARISED BALANCE SHEETS										
Non-current assets	1 761	1 861	2 155	2 334	2 870	2 934	2 534	2 251	2 127	1 938
Current assets	3 898	3 796	4 631	5 758	4 135	4 253	3 499	2 915	2 473	1 714
Goodwill	16	-	151	269	502	708	704	700	718	669
Total assets	5 675	5 657	6 937	8 361	7 507	7 895	6 737	5 866	5 318	4 321
Ordinary shareholders' equity	1 982	1 717	2 410	3 003	2 693	3 326	3 019	2 503	2 265	2 151
Minority interest	8	8	329	362	215	213	243	242	207	120
Permanent capital	1 990	1 725	2 739	3 365	2 908	3 539	3 262	2 745	2 472	2 271
Non-current liabilities	700	819	896	1 146	1 359	1 476	1 101	1 116	1 082	779
Current liabilities	2 985	3 113	3 302	3 850	3 240	2 880	2 374	2 005	1 764	1 271
Total equity and liabilities	5 675	5 657	6 937	8 361	7 507	7 895	6 737	5 866	5 318	4 321

On 30 June 2000, the group's holding in Unitrans Limited reduced to 43,8% (30 June 2001: 43,6%) and Unitrans Limited became an equity accounted associate company.

Ratios and Statistics

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
EARNINGS										
Earnings/(loss) per ordinary share (cents)	74	(165)	(19)	150	(79)	109	126	108	106	97
Headline earnings/(loss) per ordinary share (cents)	76	36	3	49	(44)	72	126	108	105	96
Dividends per ordinary share (cents)	-	-	50,0	48,5	48,5	48,5	47,0	42,0	40,0	36,0
Dividend cover	-	-	-	3,1	-	2,2	2,7	2,6	2,7	2,7
Interest cover	34,7	4,6	1,9	2,1	0,7	3,2	6,2	5,5	6,8	14,2
PROFITABILITY										
EBIT on revenue (%)	2,6	2,2	1,6	4,3	1,9	5,4	8,0	7,6	7,8	8,6
EBIT on average total assets (%)	3,9	4,7	3,0	8,2	3,1	8,4	12,6	11,3	11,3	15,6
EAT on average ordinary shareholders' funds (%)	13,6	(27,7)	(2,4)	18,2	(9,0)	11,8	14,8	14,2	15,1	18,4
PRODUCTIVITY										
Per R1 000 of revenue:										
Payroll cost (rand)	189	177	188	196	223	223	234	240	251	238
Total average assets (rand)	664	473	530	529	601	639	631	675	695	550
Value created (Rm)	2 159	2 156	2 807	3 737	3 030	3 353	3 120	2 670	2 438	2 098
Value ratio	1,34	0,91	1,15	1,52	1,12	1,40	1,43	1,44	1,43	1,51
FINANCE										
As a percentage of permanent capital:										
Interest bearing debt	22	33	27	(23)	38	26	14	19	26	15
Total liabilities	185	228	153	85	143	111	92	98	104	92
Current assets to current liabilities	1,31	1,22	1,40	1,50	1,28	1,48	1,47	1,45	1,40	1,39
Operating cash flow (Rm)	558	370	493	1 275	(99)	210	418	633	420	375
Operating cash flow per ordinary share (cents)	164	107	142	369	(29)	61	129	201	134	137
OTHER										
Weighted average ordinary shares in issue (millions)	340,1	346,0	346,0	346,0	346,0	344,4	323,1	314,0	314,0	273,4
Number of employees – 30 June	16 337	26 098	32 361	43 268	48 464	49 489	49 087	49 754	47 608	51 587

The comparative figures for the years 1992 to 1994 relating to shares in issue and statistics per share have been adjusted to take account of the five for one sub-division effective 15 May 1995.

DEFINITIONS

EBIT	Earnings before interest, taxation and exceptional items	Total liabilities	Borrowings, redeemable preference shares and non-interest bearing debt
EBT	Earnings before taxation	Permanent capital	Ordinary shareholders' equity and minority shareholders' interest
EAT	Earnings after taxation attributable to ordinary shareholders	Net asset value (NAV)	Ordinary shareholders' equity
Interest cover	EBIT divided by net interest	Average	Arithmetic average between consecutive year-ends
Value ratio	Value created as a multiple of payroll cost		
Interest-bearing debt	Borrowings and redeemable preference shares		

Responsibility for Annual Financial Statements

30 June 2001

The directors are responsible for the preparation of financial statements that fairly present the state of affairs of the group and the company at the end of the financial year and of the profit or loss for that year in conformity with South African Statements of Generally Accepted Accounting Practice.

To enable the directors to meet these responsibilities:

- the board and management set standards and management implements systems of internal controls, accounting and information systems; and
- the audit committee recommends group accounting policies and monitors these policies.

The annual financial statements have been prepared in accordance with the Companies Act, 1973, as amended, and South African Statements of Generally Accepted Accounting Practice and are based on consistently applied, appropriate accounting policies, supported by reasonable and prudent judgements.

The directors are of the opinion that the group and the company have adequate resources to continue in operation for the foreseeable future and the financial statements have accordingly been prepared on a going concern basis. The auditors concur with the directors' statement on going concern.

It is the responsibility of the auditors to report on the financial statements. Their report to the members of the company is set out opposite.

Approval of Annual Financial Statements

The annual financial statements of the group and the company for the year ended 30 June 2001 set out on pages 36 to 69 were approved by the board of directors on 27 August 2001 and are signed on its behalf by:



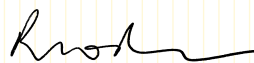
D C Brink

Chairman



B C Bruce

Group Chief Executive



R W Rees

Chief Financial Officer

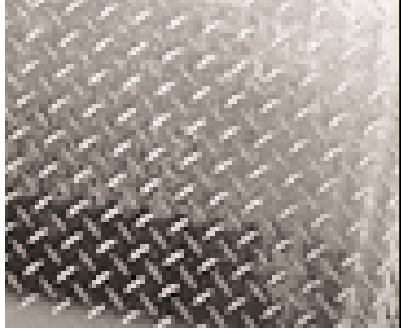
Certification by Company Secretary

I hereby certify that in accordance with section 268G(d) of the Companies Act, 1973 as amended, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are, to the best of my knowledge and belief, correct and up to date.



LJ Lindsay

Company Secretary



Report of the Independent Auditors

We have audited the annual financial statements and group annual financial statements of Murray & Roberts Holdings Limited set out on pages 36 to 69. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion, these annual financial statements fairly present, in all material respects, the financial position of the group and the company at 30 June 2001 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the South African Companies Act.

Deloitte & Touche

*Chartered Accountants (SA)
Registered Accountants and Auditors*

Sandton
27 August 2001

Report of the Directors

This report presented by the directors is a constituent document of the group annual financial statements at 30 June 2001. Except where otherwise stated, all amounts set out in tabular form are expressed in millions of rand.

Group Financial Results

The profit attributable to ordinary shareholders totalled R252,2 million for the year ended 30 June 2001 as compared to a loss of R571,2 million in the previous year. Full details of the results are set out in the consolidated income statement on page 41.

Segmental contributions to the consolidated EBIT were as follows:

	2001	2000
Building and civil engineering	55	71
Industry and mining	73	49
Engineered products	35	(19)
Supplies and services	120	43
Corporate	(65)	(53)
	218	91
Unitrans	-	203
	218	294

Dividend

The board has determined that no dividend will be paid in respect of the year ended 30 June 2001. The achievement of the group's growth and performance objectives will enable the resumption of dividend payments in 2002.

Share Capital

During the year under review there were no changes to the authorised share capital of the company which remains at R50 million consisting of 500 000 000 ordinary shares of 10 cents each.

At a special general meeting held on 29 January 2001, shareholders approved the specific repurchase of 14 074 921 shares for the sum of R43 210 007, an effective cost of 307 cents per share. The repurchased shares were

delisted from the JSE Securities Exchange South Africa ("the JSE") and cancelled on 2 February 2001. The issued share capital of the company accordingly reduced to R33 189 262 consisting of 331 892 619 ordinary shares of 10 cents each.

At the annual general meeting held on 25 October 2000, 50 000 000 unissued ordinary shares were placed under the control of the directors and these remained at the disposal of the directors at 30 June 2001.

Shareholders will be asked at the annual general meeting to be held on 24 October 2001 to:

- place ordinary shares in the company at the disposal of directors for the purpose of the continued implementation of the Employee Share Incentive Scheme, as more fully detailed in the paragraph dealing with the share scheme below;
- place 50 000 000 unissued ordinary shares in the company under the control of the directors who are authorised to allot these shares on such terms and conditions as they deem fit, including, but not limited to, any allotment to shareholders as capitalisation awards; and
- authorise the directors to issue ordinary shares in the company for cash subject to the rules of the JSE.

Shareholders will also be asked to pass a special resolution to give the directors a general authority for the company, or any subsidiary company, to repurchase up to 20% of the outstanding issued shares, subject to the rules of the JSE.

Statement of Changes in Equity

Ordinary shareholders' funds at 30 June 2001 amounted to R1 981,8 million (2000: R1 717,2 million). Details of the increase in the year under review of R264,6 million (2000: reduction of R692,4 million) are set out in the Statement of Changes in Equity on page 45.

A special resolution was passed at the annual general meeting on 25 October 2000 authorising the transfer of R273,6 million from the share premium account to the

company's distributable reserve so as to expunge the deficit on the consolidated distributable reserve at 30 June 2000.

Accounting Policies

The accounting policies of the group are set out on pages 46 to 49 of this report and have been consistently applied in all material aspects with the following exception:

- due to the hyper-inflationary conditions, and the restriction on transfer of funds, in Zimbabwe, the group's 44% interest in Murray & Roberts (Zimbabwe) Limited has not been consolidated since 31 December 1998 and the holding cost is reflected as a listed investment.

Investment in Unitrans Limited ('Unitrans')

The group owns 43,6% of the issued shares in Unitrans and the resultant share of the earnings attributable to ordinary shareholders of Unitrans has been equity accounted in the income statement for the year ended 30 June 2001. The group's holding cost has been reported as an equity accounted investment in the balance sheet at 30 June 2001.

Acquisitions

During the year under review, the group acquired the business of JCI Projects for a purchase price of R20 million, all of which represents goodwill that will be amortised over five years. JCI Projects is an engineering contractor focused specifically on the mining and minerals markets and has been merged with Engineering Management Services and Lama International Contractors to form Murray & Roberts Engineering Solutions.

Closures and Disposals

The group's wholly owned subsidiary, Alloy Wheels International (Canada) Limited was placed in voluntary liquidation on 19 January 2001 following a decision by the group not to support cash losses in the business. The

cost of this decision is covered by the impairment provision established at 30 June 2000.

Disposals were concluded during the year under review as part of the programme to rationalise non-core activities and included:

- the businesses of Bellambie Mining and Stone Stamcor; and
- the sale of the Main Pipesystems division of Murray & Roberts Limited for a consideration of R169 million with effect from 1 March 2001.

Since the year-end, the sale of the Fielders division of Harvey Roofing Products has been finalised and Woodline Timber Industries sold, subject to Competition Commission approval.

Corporate Governance

Your board endorses the principle of good corporate governance. The board believes that the group substantially complies with the recommendations of the Code of Corporate Practice contained in the King Report. Details of the group's compliance with the Code appear on page 26 of this annual report.

Employee Share Scheme

At the annual general meeting held on 21 October 1987, shareholders approved the establishment of the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("the Scheme") which was designed as a share purchase scheme to be open-ended and ongoing into the future. This approval included certain specified rules that could not be altered without the prior approval of shareholders in general meeting. The rules did not include a maximum percentage of the company's issued capital that could be allocated to any one participant as now required by Schedule 14 of the revised JSE listing requirements. At the forthcoming annual general meeting, shareholders will be asked to authorise the directors to amend the rules of the Scheme to introduce a maximum allocation of 1% to any one individual.

At the annual general meeting held on 22 October 1997, shareholders authorised the directors to amend the rules of

Report of the Directors

(continued)

the Scheme so as to enable the granting of options in the capital of the company. During the 1999 financial year, your board decided that existing share purchase agreements were no longer providing the incentives to employees that were originally envisaged. With the agreement of the employees concerned, these purchase agreements were cancelled and replaced by options granted to the employees by The Murray & Roberts Trust ("the Trust"). These options were granted on the same number of shares, at the same price and incorporated the same restriction periods as the original share purchase agreements.

During the year ended 30 June 2001, the Trust granted new options on a total of 4 965 000 shares to senior executives including executive directors.

The total shares that may be utilised for the purpose of the Scheme is limited to 10% of the total issued shares of the company from time to time, currently 33 189 262 shares. At 30 June 2001, the Trust held 14 943 219 shares which were the subject of option agreements in favour of employees. Accordingly, shareholders will be asked at the forthcoming annual general meeting to place 18 246 043 unissued shares in the company at the disposal of the directors for the continued implementation of the Scheme.

Directorate and Secretary

Messrs S J Macozoma, K E Smith and J S Stanbury were appointed directors of the company on 28 February 2001.

Messrs C A Di Nicola, R C Sheppard and L B Bird resigned as directors of the company on 28 February 2001, 31 May 2001 and 27 June 2001 respectively.

At the date of this report the directors of the company were:

Non-executive

D C Brink (*Chairman*)

B N Bam

W P Esterhuysen

S E Funde

P G Joubert

S J Macozoma

A J Morgan

A A Routledge

J J M van Zyl

Executive

B C Bruce (*Chief Executive*)

A J de Nysschen

K J Grové

R W Rees

K E Smith

J S Stanbury

At the forthcoming annual general meeting and in accordance with the company's Articles of Association:

- (i) the directors appointed during the year retire but, being eligible, offer themselves for re-election; and
- (ii) Ms B N Bam, Messrs D C Brink and A A Routledge and Prof W P Esterhuysen retire by rotation but, being eligible, offer themselves for re-election.

At 30 June 2001, directors of the company held in aggregate, directly or indirectly 0,6% (2000: 0,6%) of the ordinary shares of the company. In addition, certain directors of the company:

- (i) held in aggregate, directly or indirectly, grants of options from The Murray & Roberts Trust in respect of 2,5% (2000: 1,8%) of the ordinary shares of the company, which options were still subject to the terms and conditions of the employee share scheme; and
- (ii) participated in a consortium of current and previous senior executives that indirectly and beneficially held 6 106 435 (2000: 6 106 435) ordinary shares of the company.

At the date of this report there had been no changes to the above shareholdings.

The secretary of the company is Mr L J Lindsay. His business and postal addresses are shown on page 72 of this report.

Special Resolutions adopted by Subsidiary Companies

On 26 June 2001, Engineering Management Services (Pty) Limited converted to a public company and changed its name to Murray & Roberts Engineering Solutions Limited.

No other special resolutions, the nature of which might be of significance to members in their appreciation of the state of affairs of the group, were passed by any subsidiary during the period covered by this report.

Subsidiary and Associated Companies

Information regarding the group's major subsidiary and associated companies is shown in Annexure 1 to the consolidated annual financial statements. A full list of subsidiary companies is available to shareholders on request.

STRATE

The JSE has advised that the company's shares will be dematerialised on 26 November 2001 as part of the Share Transactions Totally Electronic (STRATE) programme. Electronic trading will commence on 18 December 2001 and the first electronic settlements will take place on 28 December 2001. Relevant information will be mailed to shareholders in due course.

27 August 2001

Consolidated Balance Sheet

at 30 June 2001

All monetary amounts are expressed in Millions of Rand

	Notes	2001	2000
ASSETS			
Non-current assets			
Property, plant and equipment	1 & 9	1 226,7	1 307,0
Goodwill	2	16,0	-
Investment in associate company	3	391,2	382,8
Other investments	4	143,4	171,7
Total non-current assets		1 777,3	1 861,5
Current assets			
Inventories	5	601,7	772,4
Contracts in progress and contract receivables	6	851,6	731,1
Accounts receivable	7	1 152,5	1 308,0
Cash		1 291,8	984,2
Total current assets		3 897,6	3 795,7
TOTAL ASSETS		5 674,9	5 657,2
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and premium	8	1 526,2	1 843,8
Non-distributable reserves		203,4	147,0
Retained earnings/(accumulated loss)		252,2	(273,6)
Total ordinary shareholders' equity		1 981,8	1 717,2
Minority interest		8,6	7,7
Permanent capital		1 990,4	1 724,9
Non-current liabilities			
Long-term loans	9 & 11	327,2	401,9
Long-term provision	10	315,6	366,5
Deferred taxation	12	57,2	50,5
Total non-current liabilities		700,0	818,9
Current liabilities			
Accounts payable	13	2 428,4	2 502,9
Sub-contractors	14	443,1	426,6
Taxation		10,4	8,3
Overdrafts and short-term loans	9 & 15	102,6	175,6
Total current liabilities		2 984,5	3 113,4
TOTAL EQUITY AND LIABILITIES		5 674,9	5 657,2

Consolidated Income Statement

for the year ended 30 June 2001

All monetary amounts are expressed in Millions of Rand

	Notes	2001	Pro forma 2000	2000
Revenue		8 535,0	8 733,0	13 317,9
Ongoing operations		7 983,0	7 748,0	12 332,9
Discontinued operations		552,0	985,0	985,0
Earnings before amortisation, depreciation, exceptional items and interest		454,6	329,1	661,9
Amortisation of goodwill	2	(4,0)	-	-
Depreciation		(232,2)	(238,4)	(367,9)
Earnings before exceptional items and interest		218,4	90,7	294,0
Ongoing operations		214,4	99,0	302,3
Discontinued operations		4,0	(8,3)	(8,3)
Exceptional items	16	(2,5)	(696,9)	(696,9)
Earnings/(loss) before interest and taxation	17	215,9	(606,2)	(402,9)
Interest paid	18	(90,7)	(116,2)	(139,8)
Interest received	18	84,4	72,4	75,5
Earnings/(loss) before taxation		209,6	(650,0)	(467,2)
Taxation	19	(27,5)	7,0	(39,4)
Earnings/(loss) after taxation		182,1	(643,0)	(506,6)
Income from associate		71,0	73,0	-
Minority shareholders' interest		(0,9)	(1,2)	(64,6)
Earnings/(loss) attributable to ordinary shareholders		252,2	(571,2)	(571,2)
<i>Dealt with as follows:</i>				
Net amortisation of goodwill	2	-	190,9	190,9
Transfer to/(from) distributable reserve		252,2	(762,1)	(762,1)
		252,2	(571,2)	(571,2)
Weighted average ordinary shares in issue (000's)		340 103	345 968	345 968
Earnings/(loss) per ordinary share (cents) – total		74	(165)	(165)
Earnings per ordinary share (cents) – headline	20	76	36	36

On 30 June 2000, the group's holding in Unitrans Limited reduced from 54,5% to 43,8% and Unitrans Limited became an equity accounted associate company. The pro forma column restates the previously published results as if Unitrans Limited had been equity accounted in the comparative period.

Consolidated Cash Flow Statement

for the year ended 30 June 2001

All monetary amounts are expressed in Millions of Rand

	Notes	2001	2000
Cash flows from operating activities		581,9	189,8
Cash generated by operations	A	582,5	465,7
Net interest paid		(6,3)	(64,3)
Taxation paid	B	(18,7)	(31,1)
Operating cash flow		557,5	370,3
Dividends paid		-	(180,5)
Dividends received		24,4	-
Cash flows from investing activities		(82,6)	(453,7)
Acquisition of businesses	C	(96,4)	(113,8)
Acquisition of investments		10,2	(35,5)
Purchase of property, plant and equipment		(248,4)	(528,2)
Replacement of property, plant and equipment		(36,3)	(278,0)
Additions to property, plant and equipment		(212,1)	(250,2)
Non-operating closure costs		-	(8,7)
Proceeds on disposal of property, plant and equipment		74,5	235,8
Proceeds on disposal of businesses	D	177,5	(3,3)
Net cash generated/(utilised)		499,3	(263,9)
Cash flows from financing activities		(191,7)	(54,2)
Reduction of borrowings	E	(74,7)	(89,1)
Repurchase of shares		(43,2)	-
Movement in Share Trust holding cost		(0,8)	4,7
(Decrease)/increase in short-term borrowings		(73,0)	30,2
Net increase/(decrease) in cash		307,6	(318,1)
Cash at beginning of year		984,2	1 302,3
Cash at end of year		1 291,8	984,2

Notes to the Consolidated Cash Flow Statement

for the year ended 30 June 2001

All monetary amounts are expressed in Millions of Rand

	2001	2000
A. CASH GENERATED BY OPERATIONS		
Earnings before interest and exceptional items	218,4	294,0
Adjustment for:		
Cash exceptional items received/(paid)	38,3	(97,2)
Amortisation of goodwill	4,0	-
Depreciation	232,2	367,9
Net profit on disposal of property, plant and equipment	(12,9)	(106,6)
Change in working capital	102,5	7,6
Inventories	71,9	(8,9)
Contracts in progress and contract receivables	(120,5)	(53,7)
Accounts receivable	103,5	(211,9)
Accounts payable and long-term provision	31,1	280,1
Sub-contractors	16,5	2,0
	582,5	465,7
B. TAXATION PAID		
Taxation unpaid at beginning of year	(8,3)	(21,4)
Taxation charged to the income statement	(20,8)	(54,9)
Movement related to the acquisition and disposal of businesses	-	36,9
Taxation unpaid at end of year	10,4	8,3
	(18,7)	(31,1)
C. ACQUISITION OF BUSINESSES		
During the year the group acquired businesses with a fair value of assets acquired and liabilities assumed of:		
Property, plant and equipment and investments	(30,1)	(60,3)
Current assets	(48,0)	(183,6)
Non-interest bearing debt	1,7	176,5
Net borrowings	-	(3,5)
Goodwill on acquisitions	(20,0)	(65,4)
Total purchase price	(96,4)	(136,3)
Add: cash balances in businesses acquired	-	22,5
	(96,4)	(113,8)

Notes to the Consolidated Cash Flow Statement

for the year ended 30 June 2001 (continued)

All monetary amounts are expressed in Millions of Rand

	2001	2000
D. PROCEEDS ON DISPOSAL OF BUSINESSES		
During the year, the group disposed of businesses with a fair value of assets sold and liabilities released of:		
Property, plant and equipment and investments	78,2	658,0
Investment in associate	-	(360,0)
Current assets	213,7	852,1
Non-interest bearing debt	(96,4)	(737,1)
Funds/(borrowings)	17,8	(9,8)
Goodwill	-	25,5
Minorities	-	(347,9)
(Loss)/profit on disposal of businesses	(18,0)	19,2
Total proceeds	195,3	100,0
Less: cash balances in businesses	(17,8)	(103,3)
	177,5	(3,3)
E. REDUCTION IN BORROWINGS		
Loans raised	42,8	31,3
Loans repaid and reclassified as short-term	(104,0)	(114,3)
	(61,2)	(83,0)
Capitalised leases repaid	(13,5)	(6,1)
	(74,7)	(89,1)

Group Statement of Changes in Equity

for the year ended 30 June 2001

All monetary amounts are expressed in Millions of Rand

	Share capital			Non-distributable reserves			Retained earnings	Total
	Share capital	Share premium	Murray & Roberts Share Trust	Capital redemption reserve fund	Revaluation of immovable properties and investments	Foreign currency translation reserve		
Balance at 30 June 1999	34,6	1 955,0	(150,5)	2,2	45,5	57,1	465,7	2 409,6
Movement in Share Trust holding cost			4,7					4,7
Foreign currency translation movements on investments						42,2		42,2
Goodwill amortised							(190,9)	(190,9)
Loss attributable to ordinary shareholders							(571,2)	(571,2)
Realised surplus on investments							22,8	22,8
Balance at 30 June 2000	34,6	1 955,0	(145,8)	2,2	45,5	99,3	(273,6)	1 717,2
Movement in Share Trust holding cost			(0,8)					(0,8)
Repurchase and cancellation of shares	(1,4)	(41,8)						(43,2)
Transfer of funds to distributable reserve		(273,6)					273,6	-
Foreign currency translation movements on investments						56,4		56,4
Earnings attributable to ordinary shareholders							252,2	252,2
Balance at 30 June 2001	33,2	1 639,6	(146,6)	2,2	45,5	155,7	252,2	1 981,8



Accounting Policies

The financial statements are prepared in accordance with the historic cost convention except for assets that are periodically revalued.

The principal accounting policies of the group, which are set out below, comply in all material respects with South African Statements of Generally Accepted Accounting Practice. These accounting policies are consistent with those of the prior year.

Basis of Consolidation

The group annual financial statements present the consolidated financial position and the operating results and cash flow information of the company and its subsidiaries. Entities in which the group has an interest of more than one half of the voting rights or the power to exercise control of the board of directors, have been consolidated as subsidiaries.

The results of subsidiaries are included for the duration in which the group exercises control over the subsidiary. Where necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the group.

The company carries its investments in subsidiaries at cost less appropriate provisions.

Joint Ventures

Activities which are jointly controlled by way of contractual agreement between the group and other venturers are regarded as joint ventures. These joint ventures may take the form of jointly controlled operations, assets, partnerships or companies.

Joint ventures are accounted for by means of the proportionate consolidation method whereby the group's share of the assets, liabilities, income, expenses and cash flows of joint ventures are included on a line by line basis in the financial statements unless, in the opinion of the directors, circumstances indicate that it is prudent to account for income from such investments only as and when received.

The net difference of the cost of acquisition of joint venture companies and the group's share of the net assets, fairly valued, is recognised as goodwill on acquisition and accounted for as such.

Goodwill

Goodwill, being the premium or discount on acquisition of subsidiary, associated, and joint venture companies, is capitalised and amortised on a straight line basis over its useful life with a maximum of ten years.

Associated Companies

Companies in which the group actively participates in the commercial and financial policy decisions and thereby exercises a significant influence, which are held as long-term investments and which are not classified as subsidiaries or joint venture companies are regarded as associate companies. The group's share of the results of these companies is included in the financial statements from the effective dates of acquisition using the equity method. Attributable earnings since acquisition, less dividends received, are added to the book value of the investments in these companies.

The group's interest in associated companies is carried in the balance sheet at an amount that reflects its share of the net assets and the unamortised portion of goodwill on acquisition. Where the value of the interest, in the opinion of the directors, is below the carrying value and the diminution of value is considered not to be of a temporary nature, the investment is written down to the expected realisable value.

Foreign Currencies

Transactions and balances

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the transaction date. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Gains or losses arising thereon are credited to or charged against income.

Foreign entities

The financial statements of foreign entities are translated into South African rand as follows:

- assets, including intangibles such as goodwill, and liabilities, at rates of exchange ruling at balance sheet date; and
- income, expenditure and cash flow items at average rates.

All resulting exchange differences are reflected as part of shareholders' equity. On disposal, such translation differences are recognised in the income statement as part of the cumulative gain or loss on disposal.

Deferred Taxation

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax basis of the assets and liabilities and the carrying values for financial reporting purposes.

Where the tax effects of temporary differences, including those arising from tax losses, give rise to a deferred tax asset these are only recognised if there is assurance beyond reasonable doubt that the short-term future taxable income will be sufficient to allow the tax benefit of the loss to be realised.

Property, Plant and Equipment

Property, plant and equipment comprise immovable properties occupied by the group operating companies, plant, machinery, vehicles and equipment.

Freehold immovable properties are revalued at least every five years on the basis of current market values and major variations between such valuations and book values are incorporated in the financial statements by transfer to or from non-distributable reserves. Freehold immovable properties are not regarded as depreciable assets but are treated as investment properties.

All other property, plant and equipment is stated at cost less accumulated depreciation. In the event of the sale of an immovable property, which had been revalued, the revaluation is reversed and the profit or loss arising on the sale is determined with regard to the cost to the group of such property.

Depreciation is generally calculated on the straight line basis at rates considered appropriate to reduce the book value of the assets to estimated residual value over their useful lives as follows:

- plant and machinery 5 to 10 years
- other equipment 3 to 5 years

Financial Instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Trade and Other Receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

Cash and Cash Equivalents

Cash and cash equivalents are measured at fair value.

Financial Liabilities

Financial liabilities are recognised at amortised cost, namely original debt less principal payments and amortisations of related costs, except for derivatives which are measured at fair value.

Offset

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

Leased Assets

Assets leased in terms of financial leases, where material, are capitalised at their cash cost equivalent and a corresponding liability is raised.

Capitalised leased assets are depreciated using the straight-line basis at rates considered appropriate to reduce book values over their useful lives to estimated residual value as set out in the property, plant and equipment policy. Where it is not certain whether the asset will be taken over by the group at the end of the lease, the asset is depreciated over the shorter of the lease period or the estimated useful life of the asset.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest method. Lease finance costs are charged to operating costs as they become due.



Accounting Policies

(continued)

Investments

Investments are stated at cost, less amounts written off.

Income from investments is brought to account only to the extent of dividends received or declared.

Inventories

Inventories comprise raw materials, properties for resale, consumable stores and in the case of manufacturing entities, work-in-progress and finished goods. Inventories are valued at the lower of cost and net realisable value generally determined on the first-in, first-out basis.

Finished goods and work-in-progress, in addition to direct materials and labour, include a proportion of factory overheads appropriate to the stage of completion.

Contracts in Progress and Contract Receivables

The valuation of contracts in progress and contract receivables takes account of all direct expenditure and related indirect expenditure on contracts and includes a proportion of profit determined with reference to the stage of completion and the nature of each contract.

Payments on account and anticipated losses to completion are deducted.

Retirement Benefits

The policy of the group is to provide retirement benefits for its employees. The contributions by group companies to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. The funds are actuarially valued every three years.

Revenue

Revenue is the aggregate of the turnover of subsidiaries and the group's share of joint ventures. Contracting turnover included therein comprises the value of work executed on contracts during the year.

Exceptional Items

Exceptional items are material items which derive from events or transactions that fall outside the ordinary

trading activities of the group and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

Interest and Dividend Income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.

Dividends are recognised when the right to receive payment is established.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, all of which are available for use by the group unless otherwise stated.

Discontinued Operations

Discontinued operations are significant, distinguishable components of an enterprise that have been sold, abandoned or are the subject of formal plans for disposal or discontinuance.

The profit or loss on the sale or abandonment of a discontinued operation is determined from the formalised discontinuance date and includes the operating results from this date, the difference between the proceeds on disposal and the net carrying value of the assets and liabilities to be disposed of, as well as all costs and expenses directly associated with the disposal.

If a loss is expected, full provision is made from the discontinuance date.

Long-term Contracts

Revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Impairment of Assets

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Earnings per Share

Earnings per share are calculated on the weighted average number of ordinary shares in issue during the financial year. For the purpose of calculating the weighted average number of ordinary shares in issue it is assumed that shares issued for the acquisition of shares in other companies were issued on the date from which the respective income is included in earnings, irrespective of the actual date of issue.

Statement of Value Created

for the year ended 30 June 2001

All monetary amounts are expressed in Millions of Rand

	2001		2000	
Revenue	8 535,0		13 317,9	
Cost of materials, services and sub-contractors	(6 373,9)		(10 465,4)	
	2 161,1		2 852,5	
Exceptional items	(2,5)		(696,9)	
Value created	2 158,6		2 155,6	
<i>Distributed as follows:</i>		%		%
To employees				
Payroll costs	1 616,9	74,9	2 356,7	109,3
To providers of finance				
Lease costs and net interest on loans	29,8	1,4	98,6	4,6
To government				
Company taxation	27,5	1,3	39,4	1,8
To maintain and expand the group				
Reserves retained/(utilised)	252,2		(707,0)	
Depreciation	232,2		367,9	
	484,4	22,4	(339,1)	(15,7)
	2 158,6	100,0	2 155,6	100,0
Number of employees	16 337		26 098	
State and local taxes charged to the group or collected on behalf of government by the group				
Company taxation	27,5		39,4	
Indirect taxation	44,8		162,9	
Employees' tax	237,9		382,4	
RSC levies	11,9		20,5	
Rates and taxes	26,1		30,3	
Customs and excise duty	3,4		27,4	
Government grants and subsidies	(0,1)		(3,8)	
	351,5		659,1	

Notes to the Consolidated Financial Statements

30 June 2001

All monetary amounts are expressed in Millions of Rand

	Immovable property	Plant and machinery	Other	Total
1. PROPERTY, PLANT AND EQUIPMENT				
Cost or valuation:				
At 30 June 2000	450,9	1 406,0	380,6	2 237,5
Additions	4,3	211,2	37,2	252,7
Disposals	(26,2)	(152,7)	(40,7)	(219,6)
Disposals of businesses	(34,2)	(47,6)	–	(81,8)
Exchange rate adjustment	19,8	63,0	6,6	89,4
At 30 June 2001	414,6	1 479,9	383,7	2 278,2
Aggregate depreciation:				
At 30 June 2000	16,9	707,7	205,9	930,5
Charge for the year	–	192,6	39,6	232,2
Disposals	–	(121,2)	(36,8)	(158,0)
Disposals of businesses	–	(3,8)	–	(3,8)
Exchange rate adjustment	5,8	41,5	3,3	50,6
At 30 June 2001	22,7	816,8	212,0	1 051,5
Net book value:				
At 30 June 2001	391,9	663,1	171,7	1 226,7
At 30 June 2000	434,0	698,3	174,7	1 307,0

Details in respect of immovable property are set out in a register which may be inspected at the company's registered office.

Freehold immovable properties were last valued during the 1996 financial year. The valuation was carried out by Murray & Roberts Properties group. No formal revaluation has been done at the year-end as all properties will shortly have to be revalued for Capital Gains Tax purposes.

Net book value of capitalised leased plant and machinery, motor vehicles, equipment and office furniture included in total property, plant and equipment amounted to R24,0 million (2000: R33,8 million).

Notes to the Consolidated Financial Statements

30 June 2001 (continued)

All monetary amounts are expressed in Millions of Rand

	2001	2000
2. GOODWILL		
Goodwill at beginning of year	-	151,0
Net goodwill arising	20,0	39,9
Net amortisation	(4,0)	(190,9)
	16,0	-

3. INVESTMENT IN ASSOCIATE COMPANY

The group's aggregate proportionate share of the associate company included in the consolidated balance sheet is as follows:

Cost of investment	256,0	256,0
Share of retained earnings	135,2	126,8
Balance at year-end	391,2	382,8

Valuation of shares

Market value of listed associate company (33 196 580 shares at R25,00 each)	830,0	763,5
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Aggregate of associate company's net assets and revenue

Property, plant and equipment, investments and cash	708,0	883,2
Total borrowings	77,6	113,1
Working capital	231,3	242,5
Revenue	5 242,5	4 585,1

Details of the associate company at 30 June 2001 are as follows:

Name of associate	Incorporation	% of ownership	% of votes	Main activity
Unitrans Limited	South Africa	43,6	43,6	Transport and motor

4. OTHER INVESTMENTS

Unlisted investments at cost less amounts written off (Directors' valuation R116,5 million, 2000: R117,1 million)	116,5	117,1
Listed investments (Market value R19,7 million, 2000: R19,3 million)	20,5	20,9
Unsecured loans	6,4	33,7
	143,4	171,7

Details in respect of investments are set out in a register which may be inspected at the company's registered office.

5. INVENTORIES

<i>At cost:</i>		
Raw materials	131,6	137,4
Work-in-progress	107,9	108,8
Finished goods and manufactured components	178,5	288,5
Consumable stores	85,1	94,1
Property	98,6	143,6
	601,7	772,4

All monetary amounts are expressed in Millions of Rand

	2001	2000
6. CONTRACTS IN PROGRESS AND CONTRACT RECEIVABLES		
Amounts due on contracts	715,5	536,0
Retentions receivable	136,1	195,1
	851,6	731,1
7. ACCOUNTS RECEIVABLE		
Trade receivables	944,3	939,1
Other	208,2	368,9
	1 152,5	1 308,0
8. ORDINARY SHARE CAPITAL AND PREMIUM		
<i>Authorised</i>		
500 000 000 ordinary shares of 10 cents each (2000: 500 000 000 of 10 cents each)	50,0	50,0
<i>Issued</i>		
331 892 619 ordinary shares of 10 cents each (2000: 345 967 540 of 10 cents each)	33,2	34,6
Opening balance	34,6	34,6
Repurchase and cancellation of shares	(1,4)	-
Share premium	1 639,6	1 955,0
Opening balance	1 955,0	1 955,0
Transfer of funds to the distributable reserve	(273,6)	-
Repurchase of shares	(41,8)	-
	1 672,8	1 989,6
<i>Deduct</i>		
Shares held by the Murray & Roberts Share Trust at net cost	(146,6)	(145,8)
	1 526,2	1 843,8
Share Trust		
The shares held by the Trust had a market value at 30 June 2001 of 630 cents per share (2000: 330 cents per share) totalling R94,1 million (2000: R50 million).		
Unissued shares:		
(i) Shares available for allotment by the directors in terms of the employee share purchase scheme	18 246 043	19 431 467
(ii) Shares which the directors may allot, grant options over or otherwise deal with at their own discretion	50 000 000	50 000 000
(iii) Other unissued shares	99 861 338	84 600 993
	168 107 381	154 032 460

Notes to the Consolidated Financial Statements

30 June 2001 (continued)

All monetary amounts are expressed in Millions of Rand

	2001	2000
9. SECURED LIABILITIES		
Certain liabilities of the group are secured as follows:		
Loans secured by mortgage on immovable property held as property, plant and equipment with a book value of R159,6 million (2000: R152,7 million)	72,5	65,5
Amounts due on loans and overdrafts secured over movable property with a book value of R155,4 million (2000: R112,3 million)	50,8	63,3
	123,3	128,8
Reflected in the balance sheet under:		
Long-term loans (note 11)	90,8	96,1
Overdrafts and short-term loans (note 11)	32,5	32,7
	123,3	128,8

10. LONG-TERM PROVISION

Headlease and other discontinued property activities

At beginning of year	422,7	160,0
Additional provision charged to the income statement	56,0	299,4
	478,7	459,4
Trading losses	(56,0)	(36,7)
Cost of settling headleases	(43,3)	-
At end of year	379,4	422,7
Current portion included in accounts payable and provisions (note 13)	(63,8)	(56,2)
Total long-term provision	315,6	366,5

The long-term provision is in respect of the expected headlease and other discontinued property losses which will have to be financed over the next twelve years (2000: fifteen years). The majority of the leases will terminate during or before the year ending 30 June 2008. The provision is based on the projected losses being the difference between the gross headlease commitments of R1 373,6 million (2000: R1 700,4 million) and the projected net revenue inflows of R994,2 million (2000: R1 277,7 million).

All monetary amounts are expressed in Millions of Rand

	2001	2000
11. LONG-TERM LOANS		
Secured loans		
Current year	32,5	32,7
Next five years excluding current	62,9	57,0
After five years	27,9	39,1
	123,3	128,8
Less: current portion (note 15)	(32,5)	(32,7)
Long-term secured loans	90,8	96,1
Unsecured loans		
Current year	54,4	84,8
Next five years excluding current	126,9	165,9
After five years	94,5	111,4
	275,8	362,1
Less: current portion (note 15)	(54,4)	(84,8)
Long-term unsecured loans	221,4	277,3
Capitalised finance leases		
Current year	15,7	14,3
Next five years excluding current	15,0	25,1
After five years	-	3,4
	30,7	42,8
Less: current portion (note 15)	(15,7)	(14,3)
Long-term capitalised finance leases	15,0	28,5
Total long-term loans	327,2	401,9
Included in unsecured loans is a pound denominated loan which has been recorded at the average exchange rate of the matched foreign exchange contracts:		
Loan at spot rate on 30 June	243,7	257,0
Matched foreign exchange contract	(97,2)	(91,4)
Included above	146,5	165,6
Details of the repayment terms of loans and the related interest rates are set out in Annexure 2. The assets encumbered to secure the loans are detailed in note 9.		

Notes to the Consolidated Financial Statements

30 June 2001 (continued)

All monetary amounts are expressed in Millions of Rand

	2001	2000
12. DEFERRED TAXATION		
The movement on deferred taxation is as follows:		
At beginning of year	50,5	182,3
Income statement charge/(credit)	6,7	(15,5)
Disposal of subsidiary	-	(116,3)
At end of year	57,2	50,5
<i>Comprising:</i>		
Deferred taxation liabilities		
Property, plant and equipment	32,3	26,3
Other	24,9	24,2
	57,2	50,5
Calculated taxation losses available for set-off against future taxable income	805,0	1 125,0
13. ACCOUNTS PAYABLE		
Trade and other payables	2 364,6	2 446,7
Short-term portion of long-term provision (note 10)	63,8	56,2
	2 428,4	2 502,9
14. SUB-CONTRACTORS		
Contracts in progress and contract receivables include claims against clients in respect of sub-contractor liabilities. These liabilities are only settled when payment has been received from clients.		
15. OVERDRAFTS AND SHORT-TERM LOANS		
Overdrafts	-	43,8
Current portion of long-term borrowings (note 11)		
- secured	32,5	32,7
- unsecured	54,4	84,8
Current portion of capitalised finance leases (note 11)	15,7	14,3
	102,6	175,6
16. EXCEPTIONAL ITEMS		
Asset impairment provisions	-	(287,0)
Headlease and other property provisions	(56,0)	(282,7)
Net loss on disposals/closures	(6,5)	(127,2)
Investments realised, but not previously recognised	60,0	-
	(2,5)	(696,9)

All monetary amounts are expressed in Millions of Rand

	2001	2000
17. EARNINGS/(LOSS) BEFORE INTEREST AND TAXATION		
Earnings/(loss) before interest and taxation of the holding company, subsidiary and joint venture companies is arrived at after taking into account:		
Amortisation of goodwill	4,0	-
Auditors' remuneration:		
Fees for audits	11,8	12,2
Other services	3,7	3,5
Cost of sales	7 672,6	12 121,7
Contribution to retirement benefit funds	53,9	102,0
Depreciation:		
Immovable property	-	5,6
Plant and machinery	192,6	321,9
Other	39,6	40,4
Fees paid for:		
Managerial services	3,5	2,9
Technical services	3,7	4,5
Administrative services	1,3	2,1
Foreign exchange gains realised	39,6	15,8
JSE fees	0,1	0,1
Payroll costs	1 616,9	2 356,7
Profit on disposal of property, plant and equipment	(20,2)	(95,8)
Loss on disposal of property, plant and equipment	7,3	30,8
Rentals:		
Land and buildings	37,0	35,5
Plant, machinery and motor vehicles	15,7	29,2
Other assets	7,8	5,1

18. NET INTEREST PAID

Interest paid		
Banks	(4,8)	(7,1)
Loans	(92,1)	(126,8)
Other	6,2	(5,9)
Total	(90,7)	(139,8)
Interest received		
Banks	49,4	37,8
Loans	0,1	17,5
Other	34,9	20,2
Total	84,4	75,5
Net interest paid	(6,3)	(64,3)

Included in interest received (other) is R15 million (2000: R17 million), which relates to foreign exchange profit on foreign treasury funds.

Notes to the Consolidated Financial Statements

30 June 2001 (continued)

All monetary amounts are expressed in Millions of Rand

	2001	2000
19. TAXATION		
Current:		
South African normal	2,0	33,3
Foreign	18,8	14,7
Deferred	6,7	(15,5)
	27,5	32,5
Secondary tax on companies	-	6,9
	27,5	39,4
Reconciliation of rate of taxation	%	%
Effective rate of taxation	13,1	(8,5)
Reduction/(increase) in rate of taxation due to:		
Capital profits	2,5	-
Foreign income	8,5	(6,0)
Prior year losses	12,5	(2,0)
Prior year adjustments	-	(2,5)
	36,6	(19,0)
Increase/(reduction) in rate of taxation due to:		
Secondary tax on companies	-	1,5
Non-deductible expenditure	(1,3)	0,7
Capital losses	-	21,1
Current year losses	(5,3)	25,7
South African normal taxation rate	30,0	30,0

All monetary amounts are expressed in Millions of Rand

	2001	2000
20. HEADLINE EARNINGS		
Earnings/(loss) attributable to ordinary shareholders	252,2	(571,2)
Adjustments:		
Exceptional items (note 16)	2,5	696,9
Goodwill amortisation	4,0	-
Headline earnings	258,7	125,7
Weighted average ordinary shares in issue (000's)	340 103	345 968
Headline earnings per ordinary share (cents)	76	36
21. PROFITS AND LOSSES OF SUBSIDIARIES		
Aggregate profits	722,8	450,0
Aggregate losses	(470,6)	(1 021,2)
22. CONTINGENT LIABILITIES		
There are contingent liabilities in respect of limited guarantees covering loans, banking facilities and other obligations of third parties, the ascertainable outstanding liabilities at 30 June covered by such guarantees being	38,5	45,6
23. CAPITAL COMMITMENTS		
Approved by the directors, contracted and not provided in the balance sheet	42,0	68,5
Approved by the directors, not yet contracted for	475,0	250,0
	517,0	318,5
Capital expenditure will be financed from internal resources and existing facilities.		
24. OPERATING LEASE COMMITMENTS		
Due within one year	3,0	8,6
Due thereafter	3,9	11,2
	6,9	19,8

Notes to the Consolidated Financial Statements

30 June 2001 (continued)

All monetary amounts are expressed in Millions of Rand

25. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and loans to and from subsidiaries. In respect of all financial instruments mentioned above, book value approximates fair value.

Treasury Risk Management

The group's treasury operations provide the group with access to local and foreign money markets and provide group subsidiaries with the benefits of bulk financing and depositing.

Foreign Currency Management

Loans

In terms of group policy, all material foreign loans are covered under forward exchange contracts except where a natural hedge against underlying assets exists.

Trade exposure

The group's policy is to cover forward all trade commitments. Each division manages its own trade exposure. In this regard the group has entered into certain forward exchange contracts which do not relate to specific items appearing in the balance sheet, but were entered into to cover foreign commitments not yet due and proceeds not yet received. The risk of having to close out these contracts is considered to be low. The amounts represent the net rand equivalents of commitments to purchase and sell foreign currencies. The contracts will be utilised during the next 12 months.

Details of these contracts are as follows:

		2001		2000	
		Foreign amount	Rand amount	Foreign amount	Rand amount
		million	million	million	million
Foreign currency					
Bought	US Dollars	0,8	6,3	33,2	187,3
	Euros	8,8	64,4	-	-
	British Pounds	0,3	3,0	-	-
	German Marks	11,7	43,8	-	-
	Other currencies	-	14,9	-	2,1
	Total		132,4		189,4
Sold	US Dollars	4,3	35,1	25,4	168,9
	Canadian Dollars	-	-	4,4	20,4
	British Pounds	-	-	4,1	43,8
	Euros	8,9	66,5	-	-
	Other currencies	-	0,4	-	19,9
	Total		102,0		253,0

All monetary amounts are expressed in Millions of Rand

25. FINANCIAL RISK MANAGEMENT (continued)

Maturity profile of financial instruments

The maturity profile of the recognised financial instruments are summarised as follows:

	<1 year R'm	1 – 6 years R'm	Total R'm
Financial Assets			
Cash and cash equivalents	1 219,8	–	1 291,8
Trade and other receivables	2 004,1	–	2 004,1
Financial Liabilities			
Interest-bearing liabilities	102,6	327,2	429,8
Trade and other payables	2 871,5	–	2 871,5

Credit Risk Management

Potential areas of credit risk consist of trade accounts receivable and short-term cash investments.

Trade accounts receivable consists mainly of a large widespread customer base. Group companies monitor the financial position of their customers on an ongoing basis. Where considered appropriate, use is made of credit guarantee insurance. The granting of credit is controlled by application and account limits. Provision is made for both specific and general bad debts and at the year-end management believed that any material credit risk exposure was covered by credit guarantee or a bad debt provision.

It is group policy to deposit short-term cash investments with major banks.

Interest Rate Risk Management

Group companies generally adopt a policy of ensuring that their borrowings are at market related rates to address their interest rate risk.

Liquidity Risk Management

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Notes to the Consolidated Financial Statements

30 June 2001 (continued)

All monetary amounts are expressed in Millions of Rand

26. RETIREMENT BENEFIT INFORMATION

It is the policy of the group to provide for retirement benefit obligations by payments to separate funds which are statutorily independent from the group.

These funds cover the eligible employees, other than those employees who opt to be or are required by legislation to be members of various industry funds.

The funds are covered by the Pensions Fund Act, 1956.

During the year, the majority of eligible employees belonged to one of the following funds: The Murray & Roberts Retirement Fund, M&R Materials Retirement Fund or the Investment Solutions Pension Fund.

The Murray & Roberts Retirement Fund, the M&R Materials Retirement Fund and the Investment Solutions Pension Fund were last actuarially valued at 31 December 2000, 31 December 2000 and 1 March 1999 respectively.

All of the above funds were certified to be financially sound at the respective dates.

These funds operated as defined contribution funds during the year.

The group has an obligation in respect of post retirement medical costs to pay a subsidy in respect of the normal monthly contribution of certain pensioners and in respect of certain current employees whose employment commenced before 1 July 1996. At 30 June 2001 the unfunded liability was actuarially assessed at R53,5 million (2000: R78 million).

All monetary amounts are expressed in Millions of Rand

27. RELATED PARTY TRANSACTIONS AND DIRECTORS' INTERESTS

Related party transactions

During the year, the company and its subsidiaries, in the ordinary course of business, entered into various inter-group sale and purchase transactions. These transactions are no less favourable than those arranged with third parties.

Associate company

Details of the investment in the associate company are disclosed in note 3, including details of revenue and income relating to the associate.

Interest of directors of the company in share capital

The aggregate direct and indirect beneficial holdings as at 30 June 2001 of the directors of the company and their immediate families in the issued shares of the company are detailed below. There have been no material changes in these shareholdings since that date.

	2001	2000
	Number of shares	Number of shares
Executive directors	227 687	1 323 024
Non-executive directors	1 703 775	922 928
Total	1 931 462	2 245 952

A register detailing directors' interests in the company is available for inspection at the company's registered office.

Murray & Roberts Holdings Limited Financial Statements

All monetary amounts are expressed in Millions of Rand

Balance Sheet

at 30 June 2001

	Notes	2001	2000
ASSETS			
Subsidiary company	2	2 054,2	2 097,8
TOTAL ASSETS		2 054,2	2 097,8
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and premium	3	1 526,2	1 843,8
Non-distributable reserve		0,9	0,9
Distributable reserve	4	418,8	145,2
Total ordinary shareholders' equity		1 945,9	1 989,9
Long-term loans	5	100,0	100,0
Current liabilities			
Accounts payable		8,3	7,9
TOTAL EQUITY AND LIABILITIES		2 054,2	2 097,8

Income Statement

for the year ended 30 June 2001

	Notes	2001	2000
Income from subsidiary			
Dividends		-	36,5
Interest received		16,0	31,6
Fees		1,2	0,7
Total income		17,2	68,8
Total expenses			
Interest paid		16,0	31,6
JSE Fees		0,1	0,1
Other		1,1	0,6
Ordinary shareholders' earnings		-	36,5
<i>Dealt with as follows:</i>			
Transfer to distributable reserve		-	36,5
		-	36,5

Notes to the Murray & Roberts Holdings Limited Financial Statements

30 June 2001

All monetary amounts are expressed in Millions of Rand

	2001	2000
1. CASH FLOW AND STATEMENT OF CHANGES IN EQUITY		
The operations of Murray & Roberts Holdings Limited consist mainly of the receipt of dividends and interest from its wholly owned subsidiary, Murray & Roberts Investments Limited, the payment of dividends to the members of the company and interest on long-term loans. Consequently a cash flow statement and statement of changes in equity for the company have not been presented since they would provide no meaningful additional information.		
2. INVESTMENT IN SUBSIDIARY COMPANY		
Shares at cost	0,4	0,4
Net amounts due	2 053,8	2 097,4
	2 054,2	2 097,8
Reflected in the balance sheet under:		
Subsidiary company	2 054,2	2 097,8
	2 054,2	2 097,8
3. ORDINARY SHARE CAPITAL AND PREMIUM		
– refer note 8 on the consolidated financial statements		
4. DISTRIBUTABLE RESERVE		
Opening balance	145,2	108,7
Earnings attributable to ordinary shareholders	–	36,5
Transfer from share premium account	273,6	–
Closing balance	418,8	145,2
5. UNSECURED LOANS		
Reflected in the balance sheet under:		
Long-term loans	100,0	100,0
Details of the repayment of loans and the rates at which they bear interest are set out in Annexure 2.		
6. EMOLUMENTS OF DIRECTORS		
(paid by the company or subsidiary companies)		
Executive directors		
– in office at year end	9,2	8,4
– retired and resigned during the year, including termination payments	11,2	–
	20,4	8,4
Non-executive directors		
	0,8	0,5
	21,2	8,9
Included in the above are fees paid for services as directors of the company		
	0,7	0,4
Number of directors at year-end		
	15	14
7. CONTINGENT LIABILITIES		
There are contingent liabilities in respect of limited and unlimited guarantees covering loans, banking facilities and other obligations of joint venture and subsidiary companies and other persons; the ascertainable outstanding liabilities at 30 June covered by such guarantees being		
	164,9	164,9

Annexure 1

MAJOR OPERATING SUBSIDIARIES AND ASSOCIATE COMPANIES

(All companies shown are registered in South Africa except where indicated otherwise.)

(a) Direct

	Issued share capital amount in rand	Interest in issued share capital		Cost of investment		Loan account	
		2001	2000	2001	2000	2001	2000
		%	%	R'm	R'm	R'm	R'm
Murray & Roberts Investments Limited	68 000	100	100	0,4	0,4	2 053,8	2 097,4

(b) Indirect

	Issued share capital (in rand except where indicated otherwise)	Interest in capital	
		2001 %	2000 %
MURRAY & ROBERTS LIMITED	59	100	100
Building and Civil Engineering			
Al Habtoor-Murray & Roberts LLC (Abu Dhabi)	AED 2 000 000	49	49
Lama International Contractors Limited (BVI)	USD 10 000	100	100
Lama International Contractors Limited	92 000	100	100
Murray & Roberts Civils (Pty) Limited	2	100	100
Murray & Roberts Construction Group Limited	2	100	100
Murray & Roberts Construction (Pty) Limited	100	100	100
Murray & Roberts Contractors (Botswana) Limited	BWP 2	100	100
Murray & Roberts Contractors (Middle East) LLC (Dubai)	AED 2 000 000	49	49
Murray & Roberts Contractors (Namibia) Limited	NAD 80 000	100	100
Murray & Roberts Contractors (Tanzania) Limited	TZS 2	100	100
Murray & Roberts Contractors (Uganda) Limited	UGS 5 000 000	100	100
Murray & Roberts Contractors (Zambia) Limited	ZMK 22 000 000	100	100
Murray & Roberts Gamma Civic Construction Limited (Mauritius)	MUR 10 050 000	49	49
Murray & Roberts Gillis-Mason (Pty) Limited	4 000	100	100
Industry and Mining			
Booker Tate Limited (UK)	GBP 2 202 002	100	100
Genrec (Pty) Limited	200	100	100
Murray & Roberts Engineering Solutions Limited	2	100	100
RUC Holdings Limited	100 000	100	100
SNC♦Lavalin-EMS (Pty) Limited	1 000	50	50

(b) Indirect (continued)

		Issued share capital (in rand except where indicated otherwise)	Interest in capital 2001 %	2000 %
Engineered Products				
Alloy Wheels International Limited (UK)	GBP	1 000 000	100	100
Alloy Wheels International SA (Pty) Limited		2	100	100
Consani Engineering (Pty) Limited		400 000	100	100
Murray & Roberts Foundries Group (Pty) Limited		2	100	100
Union Carriage and Wagon Co (Pty) Limited		8 160 000	100	100
Supplies and Services				
Criterion Equipment (Pty) Limited		1 000	100	100
Dura Piling (Pty) Limited		5 700	15	15
Hall Longmore (Pty) Limited		100	100	100
Harvey Roofing Products (Pty) Limited		100	100	100
Improvair (Pty) Limited		800 000	100	100
Much Asphalt (Pty) Limited		1 000	100	100
R H Johnson Crane Hire (Pty) Limited		300	100	100
Reinforcing Steel Holdings (Pty) Limited		100	100	100
Rocla (Pty) Limited		250 000	100	100
Toll Road Concessionaires (Pty) Limited		12 000	100	100
Corporate				
M&R Properties Services (Pty) Limited		2	100	100
Murray & Roberts (Malaysia) Sdn. Bhd.	MYR	250 000	49	49
Murray & Roberts (Zimbabwe) Limited	ZWD	4 156 687	44	44
Murray & Roberts Concessions (Pty) Limited		100	100	100
Murray & Roberts Contractors International Limited (BVI)	USD	1 000	100	100
Murray & Roberts H.O. Services (Pty) Limited		2	100	100
Murray & Roberts International Limited (Guernsey)	USD	10 000	100	100
P.T. Murray & Roberts Indonesia	USD	240 918	100	100
UNITRANS LIMITED		7 578 845	44	44

Annexure 2

All monetary amounts are expressed in Millions of Rand

LONG AND SHORT-TERM LOANS

	Financial years of redemption	Closing interest rate (effective NACM)		Amount	
		2001 %	2000 %	2001 R'm	2000 R'm
Subsidiaries and joint venture companies					
Secured					
Eleven equal quarterly instalments	2000/2002	-	8,52	-	27,5
Single instalment	2007	27,31	24,95	14,2	14,2
Fourteen equal semi-annual instalments	2000/2006	5,70	8,76	44,1	47,1
Seven equal annual instalments	2000/2006	-	8,76	-	7,8
Various loans each under R10 million at varying rates of interest and on varying terms of repayment				65,0	32,2
				123,3	128,8
Unsecured					
Twenty-three monthly instalments	2000/2001	-	15,25	-	7,1
Thirty-five monthly instalments	2000/2002	17,42	15,25	9,4	19,3
Seven semi-annual instalments	2000/2003	12,59	12,81	19,9	30,9
Nineteen bi-annual instalments	2000/2007	15,25	15,94	146,5	165,6
Various loans each under R10 million at varying rates of interest and on varying terms of repayment				-	39,2
Overdrafts				-	43,8
				175,8	305,9
Capitalised finance leases					
Various loans each under R10 million at varying rates of interest and on varying terms of repayment				30,7	42,8
Total subsidiaries and joint venture companies				329,8	477,5
Company					
Unsecured					
Single instalment	2003	15,45	15,45	100,0	100,0
Total company				100,0	100,0
Total group				429,8	577,5
Reflected in the notes under:					
Long-term loans (note 11)					
Secured loans				90,8	96,1
Unsecured loans				221,4	277,3
Capitalised finance leases				15,0	28,5
Overdrafts and short-term loans (note 15)					
Overdrafts				-	43,8
Current portion of long-term borrowings				86,9	117,5
Current portion of capitalised finance leases				15,7	14,3
				429,8	577,5

Annexure 3

GROUP SEGMENTAL AND GEOGRAPHIC REPORT

2001	Building and civil engineering	Industry and mining	Engineered products	Supplies and services	Corporate	Murray & Roberts Limited	Notes
REVENUE	2 990	1 328	1 628	2 545	44	8 535	1
RESULTS							
Earnings before interest and exceptional items	55	73	35	120	(65)	218	
BALANCE SHEET							
Assets employed	918	578	963	1 107	817	4 383	2
Capital employed	(308)	229	632	680	(105)	1 128	3
OTHER INFORMATION							
Capital expenditure	49	50	82	74	2	257	
Depreciation	50	34	64	83	1	232	

2000	Building and civil engineering	Industry and mining	Engineered products	Supplies and services	Corporate	Murray & Roberts Limited	
REVENUE	2 989	1 053	1 847	2 823	21	8 733	1
RESULTS							
Earnings before interest and exceptional items	71	49	(19)	43	(53)	91	
BALANCE SHEET							
Assets employed	972	495	1 109	1 523	191	4 290	2
Capital employed	(203)	126	579	975	(542)	935	3
OTHER INFORMATION							
Capital expenditure	75	68	38	119	63	363	
Depreciation	36	27	93	81	-	237	

Notes

- 1 Composition of segments is set out in Annexure 1.
- 2 Assets employed excludes cash balances.
- 3 Capital employed equals assets employed less non-interest bearing liabilities.

GEOGRAPHIC

	Revenue			
	2001	%	2000	%
South Africa	4 969	58	4 965	57
Africa – other	1 414	17	1 485	17
Europe	597	7	851	10
Pacific Rim/South East Asia	287	3	166	2
Middle East	1 066	13	887	10
North America	202	2	379	4
	8 535	100	8 733	100

Notice to Shareholders

Notice is hereby given that the fifty-third Annual General Meeting of members of the Company will be held on Wednesday, 24 October 2001 at 12:00 in the E G Pringle conference centre, ground floor, Douglas Roberts Centre, Skeen Boulevard, Bedfordview, to transact the following business:

1. to receive and adopt the Annual Financial Statements and Group Annual Financial Statements for the year ended 30 June 2001;
2. (i) to elect directors in place of Messrs SJ Macozoma, KE Smith and JS Stanbury, who were appointed during the year and who retire in accordance with the Articles of Association. They are all eligible and offer themselves for re-election; and
(ii) to elect directors in place of Ms BN Bam, Messrs DC Brink and AA Routledge and Prof WP Esterhuysen, who retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election;
3. to place 18 246 043 unissued ordinary shares in the Company at the disposal of the directors for the purpose of the continued implementation of the Employee Share Purchase Scheme;
4. to place 50 000 000 unissued ordinary shares in the Company under the control of the directors, who are authorised to allot these shares, including but not limited to any allotment to ordinary shareholders as capitalisation awards, on such terms and conditions as they deem fit, until the next Annual General Meeting;
5. to authorise the directors, subject to the requirements of the JSE Securities Exchange South Africa, for a period of 15 months from the date of this meeting or until the date of the Company's next Annual General Meeting, whichever first occurs, to issue at their discretion ordinary shares for cash, other than by way of a rights offer; provided that the number of shares so issued shall not in any one year exceed 15% of the number of ordinary shares in issue at the time the issue was made. (This resolution requires the approval of not less than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at the meeting.);
6. to consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:
"THAT the directors be authorised to effect an amendment to the rules of the Murray & Roberts Holdings Limited Employee Share Incentive Scheme so as to introduce a restriction that any one participant may be allocated a maximum of 1% of the issued capital of the Company from time to time, it being noted that this maximum may not be altered without the prior approval of shareholders in general meeting";
7. to consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:
"RESOLVED that the Company or any subsidiary of the Company is hereby authorised by way of a general approval as contemplated in Sections 85 and 89 of the Companies Act, 1973, as amended, ("the Act"), to acquire shares issued by the Company upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the relevant provisions of the Act and to the Listing Requirements of the JSE Securities Exchange South Africa ("JSE") in force at the time of acquisition, and provided that:
 - this general authority shall only be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 months from the date of this general meeting;
 - a paid press announcement containing the full details, as prescribed, of the acquisitions of shares shall be published when the Company or subsidiary has cumulatively purchased 3% of the number of shares in issue at the time this general authority is granted and when each further 3% in aggregate of such number of shares is thereafter acquired pursuant to this general authority;
 - acquisitions of shares in any one financial year may not exceed 20% of the Company's issued share capital pursuant to this general authority and may not exceed 40% of its issued share capital;

- in determining the price at which shares issued by the Company are acquired in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market price at which such shares are traded on the JSE, as determined over the five business days immediately preceding the date on which the acquisition transaction was agreed;
- the Company will be able, in the ordinary course of business, to pay its debts;
- the consolidated assets of the Company, fairly valued in accordance with generally accepted accounting practice, will exceed the consolidated liabilities of the Company;
- the consolidated ordinary capital and reserves of the Company will be adequate for a period of 12 months after such repurchase; and
- the consolidated working capital of the Company will be adequate for a period of 12 months after such repurchase.”

The reason and effect of this special resolution is to enable the board of directors to approve the purchase of its own shares by the Company, subject to the limitations included in the special resolution.

At the present time the directors have no specific intentions with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate;

8. to ratify the aggregate sum of the directors' emoluments in respect of services as directors for the year ended 30 June 2001; and
9. to transact such other business as may be transacted at an Annual General Meeting.

By order of the Board



LJ LINDSAY

Secretary
28 September 2001

Douglas Roberts Centre
22 Skeen Boulevard
Bedfordview 2007

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend, speak and vote on a show of hands and on a poll. A proxy or proxies need not be members of the Company. Proxy forms should be forwarded to reach the Transfer Secretaries of the Company not less than forty-eight hours before the time of holding the meeting.

Shareholders' Diary and Administration

Shareholders' Diary

Year-end		30 June 2001
Half-year Results 2000/2001	published	28 February 2001
Preliminary Report 2000/2001	published	27 August 2001
Annual Report	posted to shareholders	28 September 2001
Annual General Meeting		24 October 2001
Half-year results 2001/2001	to be announced	February 2002

Administration

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Registration Number

1948/029826/06

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Sponsor

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