Murray & Roberts

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

ENGINEERED EXCELLENCE – STRATEGY IMPLEMENTATION

SALIENT FEATURES

- **Lost time injury frequency rate** of 0.78 (December 2014: 0.77). Regrettably two fatal incidents (December 2014: 2) were reported.
- **Revenue** from continuing operations of R15,3 billion (December 2014: R15,9 billion).
- Diluted continuing **HEPS** increased by 10% to 87 cents (December 2014: 79 cents).
- **Attributable earnings** increased by 5% to R376 million (December 2014: R359 million).
- **Net cash** increased by 12% to R988 million (December 2014: R884 million).
- **NAV** R16 per share (December 2014: R14 per share).
- **Strong financial performance** and order book growth from the Underground Mining platform.
- **Order book increased** by 7% to R40,5 billion (December 2014: R37,8 billion) driven primarily by the Underground Mining platform.

STRATEGY – ACHIEVING OUR 2020 VISION

By 2020 the Group aims to be a leading international diversified project engineering, procurement and construction group in selected natural resource sectors and supporting infrastructure. In the Group's New Strategic Future plan, specific objectives and priorities were defined to give clear expression to the Group's strategic direction.

The Group's strategic objectives are:

- Grow profitability and cash flows;
- Focus on international natural resource market sectors;
- Diversify business model into higher margin project value chain segments;
- Deliver project and commercial management excellence;
- Enhance the safety, performance and diversity of our people; and
- Enhance shareholder value.

The Group's strategy is to adapt its business model by enhancing its specialist engineering, commissioning and asset support and maintenance capabilities to complement its construction activities. These services yield higher margins and carry lower risk than services provided in the construction segment of the project value chain.

The Group's strategy implementation is progressing according to plan.

FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Murray & Roberts is largely exposed to the global natural resources sector and is navigating its way through very difficult times and challenging trading conditions. Commodity prices remain weak, producers are in a battle for survival and are cutting back on project and other expenditure, and commodity demand is not reacting positively as yet.

Against the background of a subdued global economy, persistent weak demand for commodities and resulting prices and low investment in fixed capital formation in South Africa, the Group has increased its earnings and is constantly reviewing and adjusting its cost structures according to market requirements.

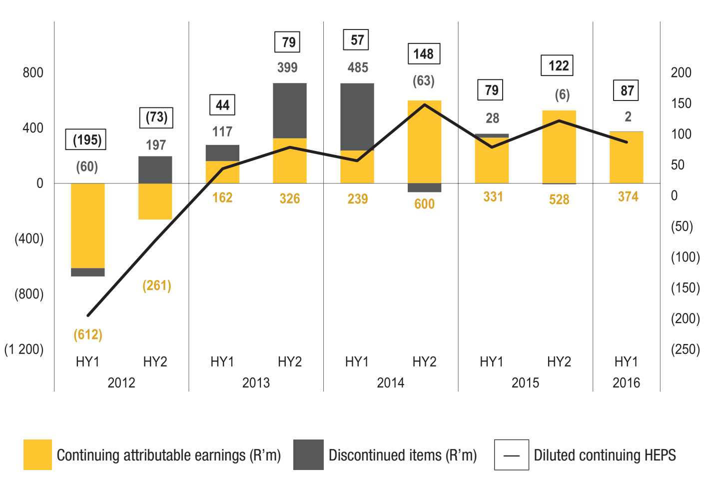
The Group recorded revenue of R15,3 billion (December 2014: R15,9 billion) and attributable earnings of R376 million (December 2014: R359 million). Diluted continuing headline earnings per share ("HEPS") increased by 10% to 87 cents (December 2014: 79 cents).

The net cash position at 31 December 2015 increased by 12% to R988 million (December 2014: R884 million). Working capital in the current market is a challenge due to slower payment by clients across all four business platforms. Efficient cash flow management and cost saving initiatives remain a specific focus for the Group.

The Group is pleased to report that its order book increased to R40,5 billion (December 2014: R37,8 billion), primarily as a result of order book growth in the Underground Mining platform. The embedded order book margin is at the lower end of the Group's target margin range of 5% to 7%.

Capital expenditure for the period was lower at R190 million (December 2014: R209 million) of which R104 million (December 2014: R158 million) was for expansion and R86 million (December 2014: R51 million) for replacement.

ATTRIBUTABLE EARNINGS AND DILUTED CONTINUING HEPS



ORDER BOOK, NEAR ORDERS AND PROJECT PIPELINE

The Group's order book and project pipeline is outlined below.

R billions	Order Book	PIPELINE Near Orders	Category 1	Category 2	Category 3
Infrastructure & Building	7.4	1.3	13.2	38.7	55.6
Power & Water	7.7	0.3	8.2	39.3	14.1
Underground Mining	16.3	9.2	26.3	6.3	22.2
Oil & Gas	9.1	1.6	30.5	27.3	276.7
31 December 2015 Totals	40.5	12.4	78.2	111.6	368.6
30 June 2015 Totals	38.3	7.9	75.3	93.7	247.6

- Near Orders – Tenders where the Group is the preferred bidder and final award is subject to financial/commercial close.
- Category 1 – Tenders the Group is currently working on (excluding Near Orders).
- Category 2 – Budgets, feasibilities and pre-qualifications the Group is currently working on.
- Category 3 – Opportunities which are being tracked and are expected to come to the market in the next 36 months.

GROUP OPERATING PERFORMANCE#

OIL & GAS

R millions	OIL & GAS Engineering		Construction & Fabrication		Global Marine		Com-missioning & Brownfields		Corporate overheads and Other		Total	
December	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	1 612	2 595	–	642	612	1 556	3 486	1 410	347	630	6 057	6 833
Operating profit/ (loss)	158	314	–	28	(49)	80	353	174	(187)	(150)	275	446
Margin (%)	10%	12%	–	4%	(8%)	5%	10%	12%	–	–	5%	7%
Order Book	1 508	4 876	–	39	555	1 483	7 064	5 844	–	–	9 127	12 242
Segment assets											4 206	3 932
Segment liabilities											3 130	3 105
LTIFR (Fatalities)											0.30(0)	0.41(0)

Financial Performance: The sustained weakness in the oil price continues to impact the business with a slowdown in implementation of current projects, slower ramp up on new projects, deferral of projects and increased pressure on margins.

Revenue and operating profit reduced to R6,1 billion (December 2014: R6,8 billion) and R275 million (December 2014: R446 million) respectively. The order book decreased to R9,1 billion (December 2014: R12,2 billion).

Operational Performance and Outlook: Peter Bennett, the successor to Kevin Gallagher, was appointed as Chief Executive Officer of the Murray & Roberts Oil & Gas business on 1 February 2016. Peter is an experienced oil and gas executive and joins the Group after 26 years with Chicago Bridge & Iron Co., a leading global engineering, procurement and construction company, focused on energy infrastructure. Peter has working experience in Australia, Asia Pacific, Europe, Africa, the Middle East and North America, making him the ideal candidate to lead the Murray & Roberts Oil & Gas business platform and Clough.

During January 2016 Clough secured a three year contract with ConocoPhillips in Australia, to provide asset support, operations and maintenance services to the Bayu-Undan offshore field development and two new hook-up services contracts on the Ichthys Liquefied Natural Gas ("LNG") Project's Floating, Production, Storage and Offloading facility.

This platform continues to expand its Engineering, Procurement and Construction ("EPC") services to new growth regions. Clough acquired Enercore Projects Limited ("Enercore"), a small privately owned engineering services company headquartered in Calgary, Canada in October 2015. Enercore specialises in the provision of Engineering, Procurement and Construction Management services to the Canadian oil and gas sector and this acquisition establishes a base for Clough's Canadian EPC project delivery arm.

The Commissioning and Brownfields division is targeting the Australian brownfields market opportunity, as the new LNG production facilities become operational. This presents significant opportunity in the Australasian LNG commissioning, operations and maintenance market. Clough currently has the largest share of the Australasian commissioning market. The Wheatstone Jetty project is coming to a close and the commercial processes should be closed out in the first half of the new financial year.

The short-term future of the oil and gas market remains uncertain due to the low oil price and prospects will only improve when oil companies again start to invest. In the medium to long term, it is expected that new LNG project opportunities in North America, Africa and Papua New Guinea will present attractive growth potential.

UNDERGROUND MINING

R millions	UNDERGROUND MINING Africa		Australasia		The Americas		Total	
December	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	1 729	1 769	570	373	1 899	1 359	4 198	3 501
Operating profit/(loss)	16	(2)	43	10	160	76	219	84
Margin (%)	1%	–	8%	3%	8%	6%	5%	2%
Order Book	10 328	8 314	1 878	1 037	4 051	4 496	16 257	13 847
Segment assets	987	1 102	809	637	2 087	1 395	3 883	3 134
Segment liabilities	810	937	191	133	743	464	1 744	1 534
LTIFR (Fatalities)	2.65(1)	2.01(1)	0.0(0)	0.0(0)	1.59(0)	0.87(0)	2.18(1)	1.73(1)

Financial Performance: Mining companies' requirement to maintain their ongoing infrastructure replacement spend contributed to the platform's order book growth and strong financial performance. Although from a macro-economic point of view, the market remains challenging, the platform is successful in all regions in securing a good share of the limited opportunity that the market presents.

Revenues increased to R4,2 billion (December 2014: R3,5 billion) and operating profit increased to R219 million (December 2014: R84 million). The order book also showed strong growth to R16,3 billion (December 2014: R13,8 billion).

Operational Performance and Outlook: This platform continues to successfully provide infrastructure replacement services on operating mines across all regions. This work historically represented about 80% of the platform's work.

Cementation Africa is operating in a challenging market. Community unrest in the region of the Booysendal mine contributed to lower performance incentives achieved and the slowdown in the Zambian copper belt region is also impacting the business. Project opportunities in the United States market are slowing down, but the Canadian and Australian markets are presenting potential for growth from a low base. RUC Cementation has secured additional work at its Freeport project and Cementation Canada is close to securing a new twin-shaft project.

The platform is well positioned for major project opportunities including Oyu Tolgoi (Mongolia) and substantial scope growth at Freeport (Indonesia). In the short term, weak demand for commodities and low commodity prices will limit growth potential, but the commodity cycle upturn expected in the medium term will bring strong growth opportunity considering the large pipeline of underground mining projects.

POWER & WATER

R millions	POWER & WATER Power Programme[1]		Other[2]		Total	
December	2015	2014	2015	2014	2015	2014
Revenue	2 067	1 595	19	556	2 086	2 151
Operating profit/(loss)	103	87	(183)	(108)	(80)	(21)
Margin (%)	5%	5%	(963%)	(19%)	(4%)	(1%)
Order Book	6 951	4 486	729	877	7 680	5 363
Segment assets	1 005	985	623	838	1 628	1 823
Segment liabilities	760	788	411	370	1 171	1 158
LTIFR (Fatalities)	1.04(0)	0.35(0)	1.86(0)	0.0(0)	1.27(0)	0.24(0)

[1] *Power programme contracts and Genrec power programme contracts.*

[2] *Includes Power & Water non-power programme projects and Genrec non-power programme contracts.*

Financial Performance: Market conditions and operational requirements resulted in a major restructuring of this platform in the previous financial year. Apart from the resultant losses recorded in that period, further impairment of uncertified revenue on legacy projects of R138 million resulted in the platform reporting a loss for the period under review. These losses on legacy projects will be contained within the first half of the current financial year and not repeated. The platform continues to struggle to secure meaningful projects in a subdued market and the reported financial result is net of a R36 million asset impairment at Genrec Engineering. The platform's market focus has been narrowed to predominantly the power and water sectors.

Revenues decreased marginally to R2,1 billion (December 2014: R2,2 billion), whilst an operating loss of R80 million (December 2014: R21 million operating loss) was recorded, after the R174 million impairment mentioned above. The order book increased to R7,7 billion (December 2014: R5,4 billion), of which approximately 91% relates to the power programme.

Operational Performance and Outlook: The platform has been selected as the preferred EPC and Operations & Maintenance contractor on the 'George Biomass' project, an Independent Power Producer ("IPP") project with Murray & Roberts Concessions as co-developer. The contract for the repair and maintenance of the Morupule A power station, on behalf of Botswana Power Corporation, was also secured. These projects are valued at about R300 million each. Medupi and Kusile will continue to provide baseload work for the platform for at least the next four years, although revenue from these projects will be declining every year, due to the projects nearing completion.

The power sector has seen some increased levels of private investment and government announced its plans for thermal generation IPPs and planned Gas-to-Power programmes early in 2016. Further opportunities include the Illanga solar power project and the Duvha boiler rebuild project. Opportunities do exist in the maintenance and refurbishment of older Eskom thermal power stations, but engagement has been slow and difficult to realise, especially due to a few established players currently being in place.

Aquamarine's integration with Murray & Roberts Water is complete. Aquamarine's modular or containerised water treatment systems will be offered into the rest of Africa, using Aquamarine's marketing network and Murray & Roberts Water's engineering and project integration skills. The medium-term objective for Aquamarine is to grow the business in order to make a more meaningful contribution to the platform's revenue. Murray & Roberts Water has not yet gained traction in their targeted market sectors.

INFRASTRUCTURE & BUILDING

R millions	INFRASTRUCTURE & BUILDING Construction Africa		Middle East		Total	
December	2015	2014	2015	2014	2015	2014
Revenue	2 201	3 064	774	399	2 975	3 463
Operating profit/(loss)	60	55	(45)	11	15	66
Margin (%)	3%	2%	(6%)	3%	1%	2%
Order Book	5 364	4 333	2 069	2 069	7 433	6 402
Segment assets	2 244	2 690	3 353	2 263	5 597	4 953
Segment liabilities	1 466	2 215	2 927	2 076	4 393	4 291
LTIFR (Fatalities)	0.53(1)	1.06(1)	0.0(0)	0.0(0)	0.22(1)	0.66(1)

Financial Performance: The platform continued to report a profit in the period under review. Although the roads business has secured some work, the building market is slowing down. The civil market is slowing further and there is very little opportunity in opencast mining. The Middle East presents some opportunity, but the market remains competitive in a high commercial risk environment.

Revenues decreased to R3 billion (December 2014: R3,5 billion), while operating profit decreased to R15 million (December 2014: R66 million). The order book increased to R7,4 billion (December 2014: R6,4 billion).

Operational Performance and Outlook: The buildings market is the only market currently presenting opportunity for larger contractors, but it is slowing down. The platform secured a R830 million road contract with Sanral for the upgrade of a 33,7km stretch of the N2 between Mtunzini Toll Plaza and Empangeni T-Junction in KwaZulu Natal, which is due to start in the current financial year.

To mitigate against the risk of low margins in a soft construction market, the platform is pursuing project development opportunities, through participation in select property developments both in and outside South Africa. These include participation as a co-developer of two Gauteng-based residential developments with an expected combined project value of about R1,5 billion, and building developments in the rest of Africa in partnership with a South African blue chip financial services firm. The investment in the Bombela Concession Company continues to perform well.

The platform is largely dependent on opportunities in South Africa, and meaningful growth is subject to increased government and private sector investment in fixed capital formation. The government recently announced new infrastructure budget plans, including investments in new ports and water infrastructure.

DISCONTINUED OPERATIONS

R millions	Tolcon		Steel Reinforcing Products		Clough Properties		Construction Products[3]		Total	
December	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	6	76	–	2	–	2	–	(6)	6	74
Operating profit/(loss)	8	22	–	7	–	(2)	(5)	(6)	3	21

[3] *Includes Hall Longmore and UCW.*

HEALTH AND SAFETY

The safety of its employees is of specific importance to the Group. Safe work outcomes are not only a moral obligation, but positions the Group as a contractor of choice.

The board of directors of Murray & Roberts ("Board") deeply regrets the death of two (December 2014: 2) employees who sustained fatal injuries whilst on duty. Emmanuel Mupanda (26), a flagman employed by Murray & Roberts Infrastructure, was fatally struck by a public vehicle whilst conducting his duties in an enclosed section of the Bela-Bela Polokwane road and Mike Mwenda (33), an employee of Murray & Roberts Cementation Zambia, who worked as a rock drill operator at the Mufulira Copper Mine project, sustained fatal injuries after a fall-of-ground incident occurred. The Group's overall lost time injury frequency rate was however maintained at an industry-leading level of 0.78 (December 2014: 0.77).

The Group has started the implementation of a Major Accident Prevention programme in order to mitigate fatal risks in its operations. The Major Accident Prevention programme has achieved excellent results within Clough to date and will be rolled-out to the rest of the Group under Clough's stewardship.

UPDATE ON THE GROUP'S MAJOR CLAIMS PROCESSES

Since the publication of the Group's annual financial results on 26 August 2015, the legal processes are all progressing with time schedules for hearings now established.

As at the end of December 2015, the Group's uncertified revenue, primarily represented by the Group's major claims on Gautrain and Dubai International Airport, remained largely unchanged, other than for forex movements. The Group remains committed to resolving these outstanding claims.

Gautrain Sandton Cavern Claim – This claim, on its merits, was ruled in favour of the Bombela Civil Joint Venture ("BCJV") in October 2013 (Murray & Roberts shareholding of 45%). The quantum is expected to be awarded on 2 March 2016.

Gautrain Water Ingress Dispute – In November 2013, in the dispute between Gauteng Province and the Bombela Concession Company ("BCC"), the arbitration panel ruled in favour of Gauteng Province. The Company raised a provision of about R300 million in the prior financial years for its share of potential construction costs to be incurred by the BCJV. The extent of any other potential financial impact related to the matter is yet to be determined. Various matters between the parties, relating to the arbitration award, remain unresolved and will be heard in court. Heads of Argument were filed in February 2016 and the court hearing will proceed in June 2016. While this matter lies in the jurisdiction of the courts, the date on which remedial work will commence remains uncertain.

Gautrain Delay & Disruption Claim – Due to the complexity of this multi-billion rand claim, the initial arbitration hearings were focused on addressing the legal interpretation of various clauses in the Gautrain concession agreement.

The Group reported on 8 July 2015 that the first two arbitration rulings (the right to proceed with a claim for additional costs incurred on two cantilever bridges and to an extension of time and compensation due to late handover of land) were largely in favour of the BCC. The legal bases of these claims have now firmly been established. The hearings for the two cantilever bridges claim will be heard as from the first quarter of calendar year 2016 and an award is expected to be handed down before the end of the calendar year. The balance of the Delay & Disruption claim is scheduled to be heard in calendar year 2017. Any award will attract interest dating from 2009 to the date of award.

Dubai International Airport – Key dates in the arbitration process for the Dubai International Airport claim have now been confirmed. A preliminary issue matter will be heard during March 2016 and the arbitration hearing will take place from April to May 2017. The claim is expected to be resolved during the 2017 calendar year.

GRAYSTON PEDESTRIAN BRIDGE TEMPORARY SUPPORT STRUCTURE COLLAPSE – UPDATE

On behalf of the Board, we once again express our heartfelt condolences to the bereaved and offer sincere sympathy to those injured. Stakeholders are referred to the statements released on the Stock Exchange News Service of the JSE Limited ("SENS") on 15 October 2015, 20 October 2015, 5 November 2015 and 1 December 2015 respectively, and also the market update call held on 22 October 2015, of which the transcript is available on the website **www.murrob.com**.

The Department of Labour ("DoL") is responsible for leading the official investigation. In November 2015, the DoL instituted a Section 32 Inquiry into the incident and the first meetings were held on 8 December 2015 and 16 February 2016.

It is imperative that the Company understands what the possible cause/causes of this incident was/were. It is too early to speculate on any preliminary findings and the Company will continue to fully cooperate with the DoL.

All costs incurred to date have been expensed. The direct financial impact of this incident on the Group is not expected to be material considering its comprehensive insurance cover. Refer to note below on contingent liabilities for further detail.

COMPETITION MATTERS

As communicated on 10 December 2015, the Group entered into a consent agreement for the full and final settlement of the specific historical conduct outlined in the agreement on four matters, which concludes proceedings between the Competition Commission and Murray & Roberts in respect of this conduct. The R64 million fine relates to historical collusive conduct which occurred between 2004 and 2007 and which could not be settled at the time of the Fast Track Settlement Process in 2013. The fine was as reported and provided for in previous financial years and is payable on 31 August 2016.

CHANGES TO THE BOARD

Suresh Kana was appointed to the Board on 1 July 2015 and as a member of the audit & sustainability, risk management and remuneration & human resources committees. Xolani Mkhwanazi joined the Board on 1 August 2015 and was appointed as a member of the risk management and health, safety & environment committees. Keith Spence was appointed to the Board on 25 November 2015 and as a member of the risk management, health, safety & environment and social & ethics committees. Effective 24 February 2016, Keith stepped down from the social & ethics committee and was appointed to the audit & sustainability committee, subject to shareholder approval at the next annual general meeting.

DIVIDEND UPDATE

As communicated at the release of the Group's full year results on 26 August 2015, the Board considered and approved a new dividend policy. In terms of this policy, the Board will consider paying an annual dividend of between three and four times earnings cover.

PROSPECTS STATEMENT

Despite the FY2016 H1 improvement on the prior comparable period, considering the weak global economy and ongoing difficult trading conditions, the Group expects a decline in operational earnings for FY2016 when compared to FY2015. Historically, the second half of the year yielded a better result than the first half, but it is unlikely to be the case in the current financial year.

The Group is continuing to implement its *New Strategic Future* plan. The natural resource market sectors are cyclical and implementation of this plan will position the Group well for the upturn.

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

On behalf of the directors:

Mahlape Sello	Henry Laas	Cobus Bester
Chairman of the Board	Group Chief Executive	Group Financial Director

Bedfordview
24 February 2016

 # The operating performance information disclosed has been extracted from the Group's operational reporting systems. The "LTIFR" information has not been subject to a review by the Group's auditors. The Corporate & Properties segment is excluded from the operational analysis. Unless otherwise noted, all comparisons are to the Group's performance as at and for the six month period ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the six months ended 31 December 2015

R millions	Reviewed 6 months to 31 December 2015	Reviewed 6 months to 31 December 2014	Audited 12 months to 30 June 2015
Continuing operations			
Revenue	15 316	15 948	30 568
Profit before interest, depreciation and amortisation	870	768	1 742
Depreciation	(271)	(291)	(575)
Amortisation of intangible assets	(27)	(20)	(42)
Profit before interest and taxation (note 2)	572	457	1 125
Net interest expense	(50)	(44)	(72)
Profit before taxation	522	413	1 053
Taxation	(143)	(78)	(194)
Profit after taxation	379	335	859
Income from equity accounted investments	6	2	3
Profit from continuing operations	385	337	862
Profit from discontinued operations (note 3)	2	32	32
Profit for the period	387	369	894
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	376	359	881
– Non-controlling interests	11	10	13
	387	369	894
Earnings per share from continuing and discontinued operations (cents)			
– Diluted	91	87	213
– Basic	94	89	218
Earnings per share from continuing operations (cents)			
– Diluted	90	80	208
– Basic	94	82	213
Supplementary statement of financial performance information			
Net asset value per share (Rands)	16	14	15
Dividends per share (cents)	–	–	50
Number of ordinary shares in issue ('000)	444 736	444 736	444 736
Reconciliation of weighted average number of shares in issue ('000)			
Weighted average number of ordinary shares in issue	444 736	444 736	444 736
Less: Weighted average number of shares held by The Murray & Roberts Trust	(30)	(30)	(30)
Less: Weighted average number of shares held by the Letsema BBBEE trusts	(31 703)	(31 735)	(31 731)
Less: Weighted average number of shares held by the subsidiary companies	(14 826)	(9 449)	(9 594)
Weighted average number of shares used for basic per share calculation	398 177	403 522	403 381
Add: Dilutive adjustment	15 287	10 191	10 022
Weighted average number of shares used for diluted per share calculation	413 464	413 713	413 403
Headline earnings per share from continuing and discontinued operations (cents) (note 4)			
– Diluted	86	85	207
– Basic	89	88	212
Headline earnings per share from continuing operations (cents) (note 4)			
– Diluted	87	79	201
– Basic	90	81	206

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2015

R millions	Reviewed 6 months to 31 December 2015	Reviewed 6 months to 31 December 2014	Audited 12 months to 30 June 2015
Profit for the period	387	369	894
Items that will not be reclassified subsequently to profit or loss:			
Effects of remeasurements on retirement benefit obligations	–	–	(10)
Items that will be reclassified subsequently to profit or loss:			
Effects of cash flow hedges	–	3	(1)
Taxation related to effects of cash flow hedges	–	(1)	1
Reclassification adjustment relating to cash flow hedges transferred to profit or loss	–	–	3
Exchange differences on translating foreign operations	564	24	3
Reclassification adjustment relating to available-for-sale financial assets disposed of during the period	–	–	2
Total comprehensive income for the period	951	395	892
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	939	385	879
– Non-controlling interests	12	10	13
	951	395	892

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2015

R millions	Reviewed 6 months to 31 December 2015	Reviewed 6 months to 31 December 2014	Audited 12 months to 30 June 2015
ASSETS			
Non-current assets	8 306	7 431	7 643
Property, plant and equipment	3 142	3 130	3 021
Investment properties	23	14	18
Goodwill (note 9)	698	632	636
Deferred taxation assets	649	420	596
Investments in associate companies	15	26	28
Investment in joint venture	46	–	46
Amounts due from contract customers (note 5)	2 661	2 194	2 259
Other non-current assets	1 072	1 015	1 039
Current assets	11 175	10 245	11 076
Inventories	285	274	261
Trade and other receivables	1 557	2 001	1 657
Amounts due from contract customers (note 5)	6 298	5 191	6 204
Current taxation assets	120	–	63
Cash and cash equivalents	2 915	2 779	2 891
Assets classified as held-for-sale	79	148	84
TOTAL ASSETS	19 560	17 824	18 803
EQUITY AND LIABILITIES			
Total equity	7 165	6 036	6 523
Attributable to owners of Murray & Roberts Holdings Limited	7 128	6 014	6 498
Non-controlling interests	37	22	25
Non-current liabilities	3 060	1 645	2 526
Long term liabilities[4]	1 436	352	1 141
Long term provisions	145	296	264
Deferred taxation liabilities	245	47	133
Other non-current liabilities	1 234	950	988
Current liabilities	9 334	10 134	9 750
Amounts due to contract customers (note 5)	2 046	1 929	2 121
Accounts and other payables	6 767	6 640	7 189
Current taxation liabilities	30	22	103
Bank overdrafts[4]	140	17	44
Short term loans[4]	351	1 526	293
Liabilities directly associated with assets classified as held-for-sale	1	9	4
TOTAL EQUITY AND LIABILITIES	19 560	17 824	18 803

[4] *Interest bearing borrowings.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2015

R millions	Stated capital	Other reserves	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited	Non-controlling interests	Total
Balance at 30 June 2014 (Audited)	2 693	1 409	1 803	5 905	27	5 932
Total comprehensive income for the period	–	26	359	385	10	395
Treasury shares acquired (net)	(89)	–	–	(89)	–	(89)
Recognition of share-based payment	–	21	–	21	–	21
Dividends declared and paid[5]	–	–	(1)	(1)	(15)	(16)
Dividends declared and paid to owners of Murray & Roberts Holdings Limited	–	–	(207)	(207)	–	(207)
Balance at 31 December 2014 (Reviewed)	2 604	1 456	1 954	6 014	22	6 036
Total comprehensive income for the period	–	(28)	522	494	3	497
Treasury shares acquired (net)	(18)	–	–	(18)	–	(18)
Recognition of share-based payment	–	27	–	27	–	27
Transfer to retained earnings	–	(110)	110	–	–	–
Utilisation of share-based payment reserve	–	(2)	–	(2)	–	(2)
Dividends declared and paid[5]	–	–	(17)	(17)	–	(17)
Balance at 30 June 2015 (Audited)	2 586	1 343	2 569	6 498	25	6 523
Total comprehensive income for the period	–	563	376	939	12	951
Treasury shares acquired (net)	(92)	–	–	(92)	–	(92)
Shares vested on employee share incentive schemes	31	(31)	–	–	–	–
Reversal of previously recognised share-based payment*	–	(8)	–	(8)	–	(8)
Dividends declared and paid to owners of Murray & Roberts Holdings Limited	–	–	(209)	(209)	–	(209)
Balance at 31 December 2015 (Reviewed)	2 525	1 867	2 736	7 128	37	7 165

[5] *Dividends relate to distributions made by entities that hold treasury shares.*
* *Specific non-market conditions have not been met in the current financial year resulting in a reversal.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2015

R millions	Reviewed 6 months to 31 December 2015	Reviewed 6 months to 31 December 2014	Audited 12 months to 30 June 2015
Cash (utilised)/generated by operations	(50)	(199)	1 065
Interest received	29	40	85
Interest paid	(79)	(83)	(157)
Taxation paid	(151)	(214)	(408)
Operating cash flow	(251)	(456)	585
Dividends paid to owners of Murray & Roberts Holdings Limited	(209)	(208)	(225)
Dividends paid to non-controlling interests	–	(15)	(15)
Cash flow from operating activities	(460)	(679)	345
Acquisition of businesses (note 8)	(22)	(162)	(162)
Dividends received from joint ventures classified as held-for-sale	2	–	35
Dividends received from associate companies	18	–	–
Investment in joint venture	–	–	(46)
Purchase of intangible assets other than goodwill	(21)	(96)	(125)
Purchase of property, plant and equipment	(190)	(209)	(425)
– Replacements	(86)	(51)	(135)
– Additions	(104)	(158)	(290)
Proceeds on disposal of property, plant and equipment	78	25	76
Proceeds on disposal of businesses (note 8)	13	116	122
Proceeds on disposal of assets held-for-sale	–	46	64
Cash related to (disposal)/acquisition of businesses	–	(13)	18
Cash related to assets held-for-sale	(2)	(1)	(3)
Proceeds from realisation of investment	54	63	132
Other (net)	(1)	–	(2)
Cash flow from investing activities	(71)	(231)	(316)
Net increase/(decrease) in borrowings	137	(631)	(1 197)
Treasury shares acquired (net)	(92)	(89)	(107)
Cash flow from financing activities	45	(720)	(1 304)
Net decrease in cash and cash equivalents	(486)	(1 630)	(1 275)
Net cash and cash equivalents at beginning of period	2 847	4 277	4 277
Effect of foreign exchange rates	414	115	(155)
Net cash and cash equivalents at end of period	2 775	2 762	2 847
Net cash and cash equivalents comprises of:			
Cash and cash equivalents	2 915	2 779	2 891
Bank overdrafts	(140)	(17)	(44)
Net cash and cash equivalents at end of period	2 775	2 762	2 847

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

for the six months ended 31 December 2015

R millions	Reviewed 6 months to 31 December 2015	Reviewed 6 months to 31 December 2014	Audited 12 months to 30 June 2015
Revenue[6]			
Infrastructure & Building	2 975	3 463	6 959
Power & Water	2 086	2 151	4 238
Underground Mining	4 198	3 501	7 565
Oil & Gas	6 057	6 833	11 806
Continuing operations	15 316	15 948	30 568
Discontinued operations	6	74	88
	15 322	16 022	30 656
Continuing operations			
Profit before interest and taxation[7]			
Infrastructure & Building	15	66	205
Power & Water	(80)	(21)	(134)
Underground Mining	219	84	411
Oil & Gas	275	446	838
Corporate & Properties	143	(118)	(195)
Profit before interest and taxation	572	457	1 125
Net interest expense	(50)	(44)	(72)
Profit before taxation	522	413	1 053
Discontinued operations			
Profit before interest and taxation[7]	3	21	19
Net interest income	–	1	–
Profit before taxation	3	22	19

[6] *Revenue is disclosed net of inter-segmental revenue. Inter-segmental revenue for the Group is R18 million (2014: R60 million and June 2015: R168 million).*
[7] *The chief operating decision maker utilises profit before interest and taxation in the assessment of a segment's performance.*

SEGMENTAL ASSETS

at 31 December 2015

R millions	Reviewed 6 months to 31 December 2015	Reviewed 6 months to 31 December 2014	Audited 12 months to 30 June 2015
Infrastructure & Building	5 597	4 953	5 535
Power & Water	1 628	1 823	1 864
Construction Products Africa	41	48	60
Underground Mining	3 883	3 134	3 403
Oil & Gas	4 206	3 932	3 675
Corporate & Properties	521	735	716
	15 876	14 625	15 253
Reconciliation of segmental assets			
Total assets	19 560	17 824	18 803
Deferred taxation assets	(649)	(420)	(596)
Current taxation assets	(120)	–	(63)
Cash and cash equivalents	(2 915)	(2 779)	(2 891)
	15 876	14 625	15 253

SEGMENTAL LIABILITIES

at 31 December 2015

R millions	Reviewed 6 months to 31 December 2015	Reviewed 6 months to 31 December 2014	Audited 12 months to 30 June 2015
Infrastructure & Building	4 393	4 291	4 869
Power & Water	1 171	1 158	1 188
Construction Products Africa	15	24	26
Underground Mining	1 744	1 534	1 779
Oil & Gas	3 130	3 105	2 808
Corporate & Properties	1 527	1 590	1 330
	11 980	11 702	12 000
Reconciliation of segmental liabilities			
Total liabilities	12 395	11 788	12 280
Deferred taxation liabilities	(245)	(47)	(133)
Current taxation liabilities	(30)	(22)	(103)
Bank overdrafts	(140)	(17)	(44)
	11 980	11 702	12 000

NOTES

1. BASIS OF PREPARATION

The Group operates in the oil & gas, mining, engineering and construction environment and as a result the revenue is not seasonal in nature but is influenced by the nature of the contracts that are currently in progress. Refer to commentary for a more detailed report on the performance of the different operating platforms within the Group.

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, No. 71 of 2008. These statements were compiled under the supervision of Mr AJ Bester (CA)SA, Group financial director.

The accounting policies used in the preparation of these results are in accordance with IFRS and are consistent in all material respects with those used in the audited consolidated financial statements for the year ended 30 June 2015, with the exception of the adoption of amendments to IFRS 7 Financial Instruments: Disclosures and IAS 39 Financial Instruments: Recognition and Measurement.

The review has been conducted in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, Deloitte & Touche and their unmodified review report is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors engagement they should obtain a copy of the auditors report together with the accompanying financial information from the registered office.

The information presented in the notes below represent audited results for 30 June 2015 and reviewed results for 31 December 2015 and 31 December 2014.

2. PROFIT BEFORE INTEREST AND TAXATION

R millions	31 December 2015	31 December 2014	30 June 2015
Items by nature			
Cost of sales	(13 868)	(14 430)	(27 559)
Distribution and marketing expenses	(3)	(2)	(11)
Administration expenses	(1 323)	(1 316)	(2 578)
Other operating income	450	257	705
	(14 744)	(15 491)	(29 443)

3. PROFIT FROM DISCONTINUED OPERATIONS

The Group disposed of its interest in the Cape Point Partnership, effective 16 October 2015, for a gross consideration of R18 million (R13 million net of transaction costs and other adjustments). The total consideration of R13 million was received on the effective date.

The agreements for the disposal of the remaining Tolcon business, comprising of Entilini Operations Proprietary Limited and the investment in Entilini Concession Proprietary Limited, are subject to final conditions precedent.

3.1 Profit from discontinued operations

R millions	31 December 2015	31 December 2014	30 June 2015
Revenue	6	74	88
Profit before interest, depreciation and amortisation	3	21	19
Depreciation and amortisation	–	–	–
Profit before interest and taxation (note 3.2)	3	21	19
Net interest income	–	1	–
Profit before taxation	3	22	19
Taxation (expense)/credit	(1)	9	12
Profit after taxation	2	31	31
Income from equity accounted investments	–	1	1
Profit from discontinued operations	2	32	32
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	2	28	22
– Non-controlling interests	–	4	10
	2	32	32

3.2 Profit before interest and taxation

Profit before interest and taxation includes the following significant items:			
Profit on disposal of businesses (net of transaction and other costs)	6	11	11

3.3 Cash flows from discontinued operations include the following:

Cash flow from operating activities	16	98	87
Cash flow from investing activities	12	129	225
Cash flow from financing activities	–	30	66
Net increase in cash and cash equivalents	28	257	378

4. RECONCILIATION OF HEADLINE EARNINGS

R millions	31 December 2015	31 December 2014	30 June 2015
Profit attributable to owners of Murray & Roberts Holdings Limited	376	359	881
Profit on disposal of businesses (net)	(6)	(11)	(11)
Profit on disposal of property, plant and equipment (net)	(54)	(6)	(36)
Impairment of assets	46	–	11
Fair value adjustments and net (profit)/loss on disposal of assets held-for-sale	–	(1)	7
Loss on sale of other investments	–	–	2
Fair value adjustment on investment properties	(3)	–	(17)
Other (net)	–	–	1
Non-controlling interests effects on adjustments	–	7	7
Taxation effects on adjustments	(3)	5	11
Headline earnings	356	353	856
Adjustments for discontinued operations:			
Profit from discontinued operations	(2)	(32)	(32)
Non-controlling interests	–	4	10
Profit on disposal of businesses (net)	6	11	11
Fair value adjustments and net profit/(loss) on disposal of assets held-for-sale	–	1	(7)
Non-controlling interests effects on adjustments	–	(7)	(7)
Taxation effects on adjustments	(1)	(3)	(1)
Headline earnings from continuing operations	359	327	830

5. CONTRACTS-IN-PROGRESS AND CONTRACT RECEIVABLES

R millions	31 December 2015	31 December 2014	30 June 2015
Contracts-in-progress (cost incurred plus recognised profits, less recognised losses)	3 194	2 165	2 793
Uncertified claims and variations (recognised in terms of IAS 11: Construction Contracts)	2 090	2 040	2 158
Amounts receivable on contracts (net of impairment provisions)	3 307	2 852	3 224
Retentions receivable (net of impairment provisions)	368	328	288
	8 959	7 385	8 463
Amounts received in excess of work completed	(2 046)	(1 929)	(2 121)
	6 913	5 456	6 342
Disclosed as:			
Amounts due from contract customers – non-current[8]	2 661	2 194	2 259
Amounts due from contract customers – current	6 298	5 191	6 204
Amounts due to contract customers – current	(2 046)	(1 929)	(2 121)
	6 913	5 456	6 342

[8] *The non-current amounts are considered by management to be recoverable.*

6. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, derivatives, accounts receivable and payable and interest bearing borrowings.

R millions	31 December 2015	31 December 2014	30 June 2015
Categories of financial instruments			
Financial assets			
Financial assets designated as fair value through profit or loss (level 3)	718	696	709
Loans and receivables	7 842	7 752	7 880
Available-for-sale financial assets carried at fair value (level 1)	–	1	–
Financial liabilities			
Loans and payables	9 379	9 204	9 179
Derivative financial instruments (level 2)[9]	–	–	3

[9] *The derivative financial instruments' value has been determined by using forward looking market rates until the realisation date of the relevant instruments obtained from the relevant financial institutions.*

6.1 Financial assets designated as fair value through profit or loss

Investment in infrastructure service concession (level 3)[10]			
At the beginning of the year	709	669	669
Realisation of investment	(54)	(63)	(132)
Fair value adjustment recognised in the statement of financial performance	63	90	172
	718	696	709

[10] *The fair value of the Bombela Concession Company Proprietary Limited is calculated using discounted cash flow models and a market discount rate of 18,5% (2014: 19,5%). The discounted cash flow models are based on forecast patronage, operating costs, inflation and other economic fundamentals, taking into consideration the operating conditions experienced in the current financial year. The future profits from the concession are governed by a contractual agreement and is principally based on inflationary increases in the patronage revenue and operating costs of the current financial year. Revenue based on patronage is underpinned by the Gauteng Province. The Patronage Guarantee is the difference between the Minimum Required Total Revenue and the Actual Total Revenue in each month. A decrease of 1% in the discount rate would result in an increase in the value of the concession investment of approximately R33 million.*

7. CONTINGENT LIABILITIES

Contingent liabilities relate to disputes, claims and legal proceedings in the ordinary course of business. The Group does not account for any potential contingent liabilities where a back-to-back arrangement exists with clients or subcontractors, and there is a legal right to offset.

R millions	31 December 2015	31 December 2014	30 June 2015
Operating lease commitments	1 913	1 571	1 640
Contingent liabilities	2 226	1 610	1 650
Financial institution guarantees	9 286	8 196	8 018

Gautrain Water Ingress Dispute

In November 2013, in the dispute between Gauteng Province and BCC, the arbitration panel ruled in favour of Gauteng Province. The Company raised a provision of about R300 million in financial year 2014 for its share of potential construction costs to be incurred by the BCJV. The extent of any other potential financial impact related to the matter is yet to be determined. Various matters between the parties, relating to the arbitration award, remain unresolved and will be heard in court. Heads of Argument was filed in February 2016 and the court hearing will proceed in June 2016. While this matter lies in the jurisdiction of the courts, the date on which remedial work will commence remains uncertain.

Grayston Pedestrian Bridge

The formal investigation into this incident led by the DoL is currently ongoing and it is a priority for the Company to understand what the possible cause/causes of this incident was/were. It is too early to speculate on any preliminary findings and the Company will continue to fully cooperate with the DoL. All expenses incurred to date have been fully accounted for in the reported financial information. No provision has been raised to date as the quantum of future potential costs related to the incident cannot be reliably estimated at this stage. The Group has comprehensive insurance cover in place.

8. BUSINESS DISPOSALS/ACQUISITIONS

The Group disposed of its interest in the Cape Point Partnership, effective 16 October 2015, for net consideration of R13 million. Refer to note 3 for additional information.

Clough Limited established a new entity, Clough Enercore Limited ("CEL"), in the current financial year. On 8 October 2015, CEL executed an Asset Purchase and Sale Agreement with Enercore Projects Limited ("Enercore") to purchase the business (as carried on by Enercore) and the Purchased Assets, in exchange for the assumption of the Assumed Liabilities, of Enercore. Enercore also obtained 25% shareholding in CEL. No goodwill arose on acquisition.

Cementation Canada Inc. completed the acquisition of the assets of Merit Consultants International Inc. ("Merit") on 30 November 2015, for a consideration of R22 million. Based in Vancouver, Canada, Merit has helped deliver successful projects for mining companies around the world. The goodwill of R21 million is mainly attributable to the Merit Consultants International name, expertise, contacts and key management staff along with the experience of the former owner.

R millions	Enercore	Merit
The carrying value and fair value of net assets acquired at the date of acquisition:		
Property, plant and equipment	4	1
Other intangible assets	2	–
Trade and other receivables	10	–
Trade and other payables	(3)	–
Long term loans	(13)	–
Fair value of net assets acquired	–	1
Goodwill	–	21
Consideration paid in cash and cash equivalents	–	22

Impact of acquisitions on the results of the Group

The financial performance for the six months ended 31 December 2015 includes a loss for the period of R7 million (Enercore: R6 million and Merit: R1 million) and revenue of R8 million (Enercore: R7 million and Merit: R1 million) in relation to the businesses acquired.

The effect on revenue of the Group from continuing operations would have been R28 million (Enercore: R20 million and Merit: R8 million) if the business had been acquired on 1 July 2015 and the loss for the period from continuing operations would have been R14 million (Enercore: R10 million and Merit: R4 million).

9. GOODWILL

R millions	31 December 2015	31 December 2014	30 June 2015
At the beginning of the year	636	486	486
Additions through business combinations	21	147	148
Foreign exchange movements	41	(1)	4
Impairment	–	–	(2)
	698	632	636

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Based on the assessment performed as at 31 December 2015, no impairment was recorded.

10. DIVIDEND

A gross annual dividend, relating to the 30 June 2015 financial year, of 50 cents per share was declared in August 2015 and paid during the period.

In line with the approved dividend policy, the board of directors will only consider paying an annual dividend.

11. RELATED PARTY TRANSACTIONS

There have been no significant changes to the nature of related party transactions since 30 June 2015.

12. EVENTS AFTER REPORTING DATE

The directors are not aware of any matter or circumstance arising after the period ended 31 December 2015, not otherwise dealt with in the Group's interim results, which significantly affects the financial position at 31 December 2015 or the results of its operations or cash flows for the period then ended.

Disclaimer: *This announcement includes certain various "forward-looking statements" within the meaning of Section 27A of the US Securities Act 10 1933 and Section 21 E of the Securities Exchange Act of 1934 that reflect the current views or expectations of the Board with respect to future events and financial and operational performance. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: the Group's strategy; the economic outlook for the industry; and the Group's liquidity and capital resources and expenditure. These forward-looking statements speak only as of the date of this announcement and are not based on historical facts, but rather reflect the Group's current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "expect", "anticipate", "intend", "should", "planned", "may", "potential" or similar words and phrases. The Group undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this announcement or to reflect the occurrence of any unexpected events. Neither the content of the Group's website, nor any website accessible by hyperlinks on the Group's website is incorporated in, or forms part of, this announcement.*

Murray & Roberts Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 1948/029826/06
JSE Share Code: MUR
ADR Code: MURZY
ISIN: ZAE000073441
("Murray & Roberts" or "Group" or "Company")

website: www.murrob.com
mobisite: http://murrob.mobi
e-mail: clientservice@murrob.com

REGISTERED OFFICE:
Douglas Roberts Centre
22 Skeen Boulevard
Bedfordview 2007

PO Box 1000
Bedfordview
2008

REGISTRAR:
Link Market Services South Africa Proprietary Limited
13th Floor Rennie House
19 Ameshoff Street
Braamfontein 2001

PO Box 4844
Johannesburg
2000

SPONSOR:
Deutsche Securities (SA) Proprietary Limited

DIRECTORS:
M Sello* (Chairman) HJ Laas (Managing and Chief Executive)
DD Barber* AJ Bester R Havenstein* SP Kana*
NB Langa-Royds* JM McMahon[1]* XH Mkhwanazi*
KW Spence[2]* RT Vice*

Secretary:
L Kok

[1]British [2]Australian *Independent non-executive