

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

## HIGHLIGHTS

- ✓ OPERATING CASH INFLOW UP 224% TO R1,94 BILLION
- ✓ FULL YEAR DIVIDEND UP 93% TO 116 CENTS PER SHARE
- ✓ OPERATING PROFIT UP 100% TO R1,44 BILLION
- ✓ CONTINUING REVENUES UP 61% TO R17,9 BILLION
- ✓ HEADLINE EARNINGS UP 77% TO 325 CENTS PER SHARE
- ✓ ORDER BOOK UP 125% TO R22,5 BILLION
- ✓ 8,0% OPERATING MARGIN, UP 23% FROM 6.5%
- ✓ 20,9% RETURN ON EQUITY, UP 25% FROM 16,7%

### Condensed consolidated income statement

for the year ended 30 June 2007	Audited Annual 30.6.07	Restated Audited Annual 30.6.06
R millions		
<b>Revenue</b>	<b>17 873</b>	<b>11 098</b>
<b>Earnings before interest, exceptional items, depreciation and amortisation</b>	<b>1 750</b>	<b>923</b>
Depreciation	(290)	(188)
Amortisation of intangible assets	(23)	(16)
<b>Earnings before interest and exceptional items</b>	<b>1 437</b>	<b>719</b>
Exceptional items	(147)	(78)
Headlease and other property activities <sup>1</sup> (note 3)	14	4
Broad-based black economic empowerment (BBBEE) expense	-	(80)
Impairment of Clough investment	(115)	-
Impairment of Borbet loan	(48)	-
Other	2	(2)
<b>Earnings before interest and taxation<sup>2</sup></b>	<b>1 290</b>	<b>641</b>
Net interest income	21	36
<b>Earnings before taxation</b>	<b>1 311</b>	<b>677</b>
Taxation	(360)	(176)
<b>Earnings after taxation</b>	<b>951</b>	<b>501</b>
Share of (loss)/profit of associates	(107)	1
Earnings from continuing operations	844	502
(Loss)/earnings from discontinued operations (note 2)	(48)	59
<b>Earnings for the period</b>	<b>796</b>	<b>561</b>
<b>Attributable to:</b>		
Shareholders of the holding company	702	512
Minority shareholders	94	49
	<b>796</b>	<b>561</b>
<b>Earnings per share (cents)</b>		
- Diluted	235	165
- Basic	239	168
<b>Earnings per share from continuing operations (cents)</b>		
- Diluted	251	146
- Basic	255	150
<b>Total dividend per ordinary share (cents)*</b>	<b>116</b>	<b>60</b>
<b>Operating cash flow per share (cents)</b>	<b>583</b>	<b>180</b>

<sup>1</sup> The headlease and other property activities include the following:  
Rental income 164 144  
Interest expense (39) (49)

<sup>2</sup> Includes interest expense of R39 million (2006: R49 million) in respect of the headlease and other property activities

\* Based on year to which dividend relates

### SUPPLEMENTARY INCOME STATEMENT INFORMATION

Reconciliation of weighted average number of shares in issue (000)	30.6.07	30.6.06
Weighted average number of ordinary shares in issue	331 893	331 893
Less: weighted average number of shares held by The Murray & Roberts Trust	(8 335)	(12 139)
Less: weighted average number of shares held by Murray & Roberts Limited	(676)	-
Less: weighted average number of shares held by the Letsama BBBEE trusts	(28 953)	(14 917)
<b>Weighted average number of shares used for basic per share figures</b>	<b>293 929</b>	<b>304 837</b>
Add: dilutive adjustment for share options	4 326	5 081
<b>Weighted average number of shares used for diluted per share figures</b>	<b>298 255</b>	<b>309 918</b>
<b>Reconciliation of headline earnings</b>		
Earnings attributable to shareholders of the holding company	702	512
Non-headline exceptional items	180	2
Loss/(profit) on disposal of discontinued operations	61	(16)
Taxation on above adjustments	25	4
<b>Headline earnings</b>	<b>968</b>	<b>502</b>
<b>Headline earnings per share (cents)</b>		
- Diluted	325	162
- Basic	329	165
<b>Reconciliation of headline earnings excl BBBEE expense</b>		
Headline earnings as above	968	502
BBBEE expense	-	87
Taxation effect on BBBEE expense	-	(20)
<b>Headline earnings excluding BBBEE expense</b>	<b>968</b>	<b>569</b>
<b>Headline earnings per share excluding BBBEE expense (cents)</b>		
- Diluted	325	184
- Basic	329	187

### Segmental analysis

R millions	Revenue	EBIT before exceptional items	Exceptional items
<b>30.6.07</b>			
Construction & engineering	11 822	756	(128)
Construction materials & services	4 727	763	-
Fabrication & manufacture	1 324	83	-
Corporate	-	(165)	(19)
Continuing operations	17 873	1 437	(147)
Discontinued operations (note 2)	715	26	(61)
	<b>18 588</b>	<b>1 463</b>	<b>(208)</b>
<b>30.6.06 (Restated)</b>			
Construction & engineering	6 966	324	(60)
Construction materials & services	3 205	479	(15)
Fabrication & manufacture	927	63	(4)
Corporate	-	(147)	1
Continuing operations	11 098	719	(78)
Discontinued operations (note 2)	868	82	9
	<b>11 966</b>	<b>801</b>	<b>(69)</b>

Note: With the disposal of Foundries, the Steel Fabrication business previously reported under Construction Materials & Services have been included in the Fabrication & Manufacture segment with the prior year comparatives being restated.

### Condensed consolidated balance sheet

as at 30 June 2007	Audited Annual 30.6.07	Restated Audited Annual 30.6.06
R millions		
<b>ASSETS</b>		
Non-current assets	4 175	3 589
Property, plant and equipment	2 011	1 714
Investment property	526	278
Goodwill	206	147
Other intangible assets	74	68
Deferred taxation assets	15	52
Associate companies	885	877
Other investments	440	435
Other non-current receivables	18	18
Current assets	8 836	6 796
Accounts receivable and other	2 625	2 110
Net amounts due from contract customers	3 402	2 878
Bank balances and cash	2 809	1 808
<b>TOTAL ASSETS</b>	<b>13 011</b>	<b>10 385</b>
<b>EQUITY AND LIABILITIES</b>		
Total equity	3 815	3 194
Attributable to equity holders of the holding company	3 637	3 086
Minority shareholders' interest	178	108
Non-current liabilities	1 103	1 027
Long-term provisions	64	22
Obligations under finance headleases*	78	155
Other long-term liabilities*	617	517
Other non-current liabilities	67	36
Deferred taxation liabilities	277	297
Current liabilities	8 093	6 164
Accounts payable and other	7 423	5 509
Bank overdrafts*	181	166
Short-term loans*	489	489
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13 011</b>	<b>10 385</b>
* Interest-bearing borrowings		
<b>SUPPLEMENTARY BALANCE SHEET INFORMATION</b>		
<b>(R millions)</b>		
<b>Net asset value per share (cents)</b>	<b>1 279</b>	<b>1 031</b>
<b>Commitments</b>		
Capital expenditure	1 009	294
- spent	1 537	862
- authorised but unspent	460	136
<b>Operating lease commitments</b>	<b>88</b>	<b>131</b>
<b>Contingent liabilities</b>	<b>4 359</b>	<b>1 945</b>
<b>Financial institution guarantees</b>		

### Condensed consolidated cash flow statement

for the year ended 30 June 2007	Audited Annual 30.6.07	Restated Audited Annual 30.6.06
R millions		
Cash generated by operations before working capital changes	1 691	1 063
Cash outflow from exceptional items relating to BBBEE	-	(70)
Cash outflow from headlease and other property activities	(115)	(82)
Decrease/(increase) in working capital	637	(195)
Cash generated by operations	2 213	716
Interest and taxation	(278)	(118)
<b>Operating cash flow</b>	<b>1 935</b>	<b>598</b>
Dividends paid to shareholders of the holding company	(249)	(154)
Dividends paid to minority shareholders	(31)	(29)
<b>Cash flow from operating activities</b>	<b>1 655</b>	<b>415</b>
<b>Cash flow from investing activities</b>	<b>(851)</b>	<b>(356)</b>
Property, plant and equipment and intangible assets (net)	(968)	(307)
Business disposals/acquisitions (net)	93	(126)
Other investments (net)	10	73
Other (net)	14	4
<b>Cash flow from financing activities</b>	<b>181</b>	<b>(183)</b>
Net movement in borrowings	159	228
Treasury share disposal/(acquisition)	22	(411)
Net increase/(decrease) in cash and cash equivalents	985	(124)
Net cash and cash equivalents at beginning of period	1 642	1 733
Effect of foreign exchange rates	1	33
<b>Net cash and cash equivalents at end of period</b>	<b>2 628</b>	<b>1 642</b>

### Condensed statement of changes in equity

for the year ended 30 June 2007	Issued capital	Other capital reserves	Hedging and translation reserves	Retained earnings	Minority earnings	Total
R millions						
<b>Balances at 30 June 2005</b>	1 425	33	17	1 592	97	3 164
Earnings attributable to shareholders of the holding company				512		512
Recognition of financial instruments on acquisition of businesses				(29)		(29)
Deferred taxation recognised directly in equity				(1)		(1)
Earnings attributable to minority shareholders					49	49
Purchase of minorities				(5)	(14)	(19)
Other movements in minority interest					5	5
Movement in share-based payment reserve						24
Foreign currency translation movement on investments			24			83
Movement in treasury shares						(411)
Dividends declared and paid				(154)	(29)	(183)
<b>Balances at 30 June 2006</b>	1 014	57	100	1 915	108	3 194
Earnings attributable to shareholders of the holding company				702		702
Movement in treasury shares						22
Recognition of hedging instrument on financial instruments			(5)			(5)
Earnings attributable to minority shareholders					94	94
Other movements in minority interest					7	7
Movement in share-based payment reserve						20
Foreign currency translation movement on investments			20			61
Dividends declared and paid				(249)	(31)	(280)
<b>Balances at 30 June 2007</b>	1 036	77	156	2 368	178	3 815

### Notes:

- Basis of preparation**  
This preliminary report has been prepared and presented in accordance with IAS34: Interim Financial Reporting, the Companies Act, No. 61 of 1973 (as amended) and is derived from a set of Annual Financial Statements that are in compliance with International Financial Reporting Standards (IFRS). The accounting policies used in the preparation of these results are consistent in all material respects with those used in the annual financial statements for the year ended 30 June 2006 except for those listed below. The condensed financial statements have been prepared under the historic cost convention, except for the revaluation of certain investments and investment property.

There are no standards that are currently in issue but not yet effective which would result in a change in accounting policy.

The Group's 2007 annual financial statements were audited by the Group's external auditors, Deloitte & Touche, whose unqualified audit opinion is available for inspection at the company's registered office.

**Change in accounting policy**  
During the year the company changed its accounting policy for the valuation of investment property from depreciated historic cost to fair value. Management judges that this policy provides reliable and more relevant information and is in accordance with the international trends towards fair value accounting.

The effect of the change in accounting policy is as follows:

R millions	2007	2006
Decrease in depreciation costs	-	4,9
Fair value adjustment	253	(4,9)
Taxation effect	(25)	-
<b>Net increase in profit</b>	<b>228</b>	<b>-</b>

- Earnings from discontinued operations**  
On 31 March 2007 the Group disposed of its Foundries business for R333 million. The comparative numbers also include the disposal of Criterion Equipment, a forklift truck distribution business.

R millions	30.6.07	Restated 30.6.06
Earnings from the discontinued operations are analysed as follows:		
(Loss)/profit on disposal/closure	(61)	16
Earnings after taxation for the period	13	43
	(48)	59

R millions	2007	2006
Earnings after taxation for the period is analysed as follows:		
Revenue	715	868
Earnings before interest and depreciation	68	123
Depreciation	(42)	(41)
Earnings before interest, exceptional items and taxation	26	82
Exceptional items	-	(7)
Net interest expense	26	75
	(9)	(15)
Earnings before taxation	17	60
Taxation	(4)	(17)
Earnings after taxation	13	43

Included in the 2007 cash flow statements are the following which relates to the discontinued operation:

R millions	30.6.07	30.6.06
Cash flow from operating activities	(5)	88
Cash flow from investing activities	(24)	(65)
Cash flow from financing activities	(39)	18
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(68)</b>	<b>41</b>

The fair value of assets sold and liabilities released are:

Net assets	555	132
Net liabilities	(222)	(39)
Proceeds received	333	93
Cash balances in business	(1)	(45)
	332	48

- Headlease and other property activities**
- |  |       |     |
|--|-------|-----|
| Provision released to income statement     | -     | 14  |
| Property fair value adjustment             | 253   | -   |
| Settlement of structured finance liability | (261) | (4) |
| Other property activities                  | 22    | (6) |

- Post balance sheet event**

The Group has reached agreement with Clough Limited ("Clough") and the Clough Family (McRae) on a recapitalisation package, including support for strategic vessel acquisition. Key aspects of the transaction are:

- The agreed price for the total transaction is A\$36.8 cents per share.
- McRae will sell to Murray & Roberts 3% of issued shares (15.3 million shares).
- Murray & Roberts will underwrite a Rights Issue to raise about A\$40 million.
- Murray & Roberts will take up its own rights in the A\$40 million raising to Murray & Roberts and McRae will sell its convertible notes to Murray & Roberts including the outstanding coupons for A\$10.2 million.

The estimated total cash outflow is R290 million.

The consequence (where certain transactions are subject to Clough shareholder approval) is that Murray & Roberts reaches more than 60% ownership in Clough within 2 years. The Group will consolidate Clough into its accounts from 1 July 2007.

**Murray & Roberts is a great company with committed leadership and people and we have built a formidable performance platform to engage the future potential of all our markets.**

**We consolidated our position as South Africa's construction industry leader during the year and entered the JSE Top 40 Index in May 2007. Our Group extended its operations in all key sectors of the domestic market and we substantially enhanced our focused international presence.**

**We secured a number of major projects in many of our operating environments, which bodes well for the future performance of our**

**Group. There is every indication that demand for our products and services will remain buoyant for the foreseeable future.**

**Our Stop.Think safety campaign has contributed to a reduction in our lost-time injury frequency rate to our short term target of 3,0. However, serious workplace incidents have not shown equivalent improvement which has prompted a more rigorous regime of internal and independent review to secure our objective of zero disabling incident.**

**The consolidation of Concor in the year and Clough from 1 July 2007 has provided the impetus to treble our core revenues over the three year period 2006 to 2009.**

**BRIAN C BRUCE – Group Chief Executive**

## Executive Summary

On behalf of the Directors, we are pleased to announce a final dividend of 71 cents per share (2006: 40 cents per share) increasing the total dividend for the full year by 93% to 116 cents per share (2006: 60 cents per share). Attention is drawn to the formal dividend announcement contained herein.

Operating cash inflow is up 224% at R1,94 billion (2006: R598 million) for the year with a year-end net cash position of R2,6 billion (2006: R1,6 billion) after net capital expenditure of R1,0 billion (2006: R338 million) and a net inflow of R93 million (2006: R126 million outflow) arising from acquisitions and disposals. The R637 million decrease in working capital (2006: R195 million increase) reflects improved payments in Middle East and advance payments on major projects.

Shareholders are reminded that diluted headline earnings per share is compared to 184 cents for the year to 30 June 2006 which excluded an R87 million charge to the income statement (22 cents) relating to the granting of shares to almost 14000 employees in terms of the Group's Broad Based Black Economic Empowerment (BBBEE) transaction in that year.

Headline earnings of 325 cents per share is up 77% on the previous year at the top-end of recent guidance offered to the market and ahead of the prospects statements included in the 2006 Annual Report and 2007 Interim Report. Headline earnings per share has been negatively impacted by 38 cents as a result of the loss recorded by associate company Clough in providing for finalisation of legacy projects secured pre-acquisition to the Group.

Operating profit increased 100% to R1,44 billion (2006: R719 million) on a 61% increase in continuing revenues to R17,9 billion (2006: R11,1 billion). The operating margin of 8,0% (2006: 6,5%) is the highest ever recorded by Murray & Roberts and has moved ahead of the strategic range of 5,0% to 7,5% established for Rebuilding Murray & Roberts.

During the year the price of the Group's share on the JSE Limited (JSE) increased 150% from 2540 cents to 6400 cents peaking more than 200% up at 8150 cents in July 2007. The Group entered the JSE Top 40 Index on 7 May 2007 and has subsequently become the largest company by market capitalisation in its sector.

Shareholder Funds increased 18% to R3,6 billion and a return of 20,9% (2006: 16,7%) on average shareholder funds in the year exceeds the strategic Group target of 20%, despite the currently underperforming investment in Clough.

An amount of R290 million in cash plus balance sheet support has been committed to the recapitalisation of Clough and to increase the Group's shareholding above 60%.

Interest-bearing long term liabilities increased slightly to R695 million (2006: R672 million). These primarily relate to working capital loans into Clough and Cementation Canada and instalment sales agreements in Concor.

## Market

The year under review saw continued growth in levels of activity from all the Group's regional and sectoral markets. The South African government has targeted Gross Fixed Capital Formation (GFCF) at 25% of Gross Domestic Product (GDP) by 2014 in an economy growing at between 4,5% and 6,0% per annum. Construction Spend, which is nominally targeted at a third of GFCF, this year breached 5% of GDP on its way to an estimated high of about 10% by 2011, which is up from a low of about 2,5% in 2000. This implies a potential nominal market growth in the range 15% to 25% per annum for the foreseeable future.

All markets targeted by the Group continue to promise sustainable growth potential and in particular, major project opportunity. There is strong evidence of capacity constraints in the sector resulting in a welcome reduction in the high levels of destructive price competition that had become a worldwide characteristic of the industry through the 1990's.

In South Africa, interest rate increases have started to dampen consumer appetite for credit and the housing sector has felt a lowering in demand growth. Government's promised investment into primary economic infrastructure has started to deliver the level and nature of major project opportunity specifically attractive to the Group.

Global socio-economic growth and development, driven primarily from Asia, continues to place increased demand into the natural resources sector. Indications are that demand growth will continue for the foreseeable future before reaching a new sustainable level.

As a consequence, the Group's resources-driven international markets have remained positive with countries forming the Gulf Cooperative Council in Middle East continuing to invest the free cash flow benefit of strong oil revenues into the extension of their regional economic infrastructure. The Canadian and Australian mining contracting markets have also continued to offer growth and conditions in the global oil & gas sector remain buoyant, which bodes well for the future performance of Australian subsidiary Clough.

## Order Book

The Group's project order book stood at R22,5 billion at 1 July 2007 (2006: R10,0 billion), an increase of 125% in the year and up from R15 billion at half-year. This includes R5,0 billion (A\$810 million) derived through the consolidation of Clough.

The order book comprises Construction Middle East at R2,2 billion (R2,3 billion); Construction SADC at R8,5 billion (R3,8 billion); Mining SADC at R3,3 billion (R2,6 billion); Resources Global (including Clough) at R6,6 billion (R0,5 billion); and Engineering Contracting at R1,6 billion (R0,7 billion). The amounts in brackets are the comparative levels at 30 June 2006. The regional order book is SADC 58% (71%); Middle East 13% (23%); Australasia 24% (1%) and North America 5% (5%).

During the year the Group became a key participant in some high-profile projects including the R24 billion Gautrain Rapid Rail Link; the R3,0 billion Greenpoint Stadium for the 2010 Soccer World Cup; the R21 billion Coega Aluminium Smelter for Alcan; and secured a partnership with Dubai Holdings owned Sama Dubai for managing the implementation of about R60 billion of its investment program.

A number of Group companies have combined their strengths and capabilities and together with international and local partners as appropriate are ready to pursue the significant power station build program developing in Southern Africa. Murray & Roberts is well positioned to play a key role in the long-term implementation of this program, building on the experience of various companies acquired over the past two decades such as Genrec, Gillis Mason and Concor, all of which played a key role in the previous power station build program.

Activity levels in the Group's construction materials and services companies remain high, supporting a positive future outlook for performance delivery. The inclusion of Concor Technicrete has enhanced the Group's market presence in this sector.

Two contracts to build and supply more than 150 locomotives to Spoornet in South Africa will bear fruit in the coming year and there are plans for further upgrade and renewal of the total rolling stock asset in the region. The UCW order book stood at R2,6 billion at year-end.

## Operations

The Group's Southern Africa regional construction activities including new acquisition Concor recorded revenues up 138% at R5,0 billion (2006: R2,1 billion) and delivered operating profits of R328 million (2006: R35 million) at a margin of 6,6% (2006: 1,7%). This includes a positive R76 million contribution arising from a fair value adjustment on concession investments (2006: R68 million), but excludes recoveries of R26 million from various problem projects reported in the previous financial year.

There has been a welcome but still incomplete turnaround in Murray & Roberts Construction under new leadership and Concor delivered a maiden contribution well ahead of expectation.

Middle East construction recorded increased revenues of R2,4 billion (2006: R1,6 billion) and delivered an operating profit of R123 million (2006: R77 million) at a margin of 5,1% (2006: 4,8%). The Dubai International Airport project is a significant contributor to this performance, with handover of the facility proceeding to schedule. This complex and demanding project has placed a great deal of strain on our people, partners and cash flow, characterised through information delays, long and arduous working hours and conditions, resource constraints and late payment authorisations. Its success is testimony to the quality of our project leadership and corporate support, both so necessary for major project engagement.

Engineering contracting and services operations experienced mixed conditions in the year with revenues of R794 million (2006: R611 million) delivering operating profits of R46 million (2006: R48 million) at a margin of 5,8% (2006: 7,9%). This includes a maiden contribution from Wade Walker in the second half-year. An excellent performance from engineering services was offset by major project and third party capacity related delay costs in the power generation and industrial contracting sector.

Mining contracting operations in South Africa, Australia and Canada recorded revenues of R3,6 billion (2006: R2,7 billion) and an operating profit of R233 million (2006: R164 million) at a margin of 6,5% (2006: 6,1%). The South African operation experienced the start of disruptive industrial action in the year, while international mining markets continued to deliver strong growth.

The Group's construction materials and services companies have delivered exemplary performance again this year off improved levels of gross fixed investment in Southern Africa and Middle East.

Reinforcing steel construction products and trading services increased revenues 33% to R2,2 billion (2006: R1,7 billion) at an operating profit of R168 million (2006: R127 million).

Concrete and Asphalt infrastructure products increased revenues 27% to R1,24 billion (2006: R980 million) at an operating profit of R302 million (2006: R218 million).

Clay, steel and concrete building products delivered revenues of R856 million (2006: R325 million) at an operating profit of R160 million (2006: R63 million). This includes a maiden contribution from Concor Technicrete.

Specialist services to the construction and infrastructure sector delivered an operating profit of R133 million (2006: R71 million) on revenues of R411 million (2006: R235 million). This includes an increasing exposure to the strong Middle East market.

Following disposal of the Group's foundry businesses in the year, the operations of Genrec, Hall Longmore and UCW have been incorporated into a steel fabrication segment, which recorded increased revenues 43% up to R1,3 billion (2006: R927 million) at an operating profit of R83 million (2006: R63 million).

Corporate overheads increased marginally to R144 million (2006: R140 million) in the year, excluding a charge of R21 million (2006: R7 million) relating to share-based payments accounted for in terms of IFRS 2. Corporate capacity plays an increasing and important role engaging risk mitigation in the Group's major project and diverse geographic operations.

## Clough Limited

Murray & Roberts has recorded an associate loss of R114 million from its 49,1% investment in Australia-based Clough Limited. This arises from a provision of A\$131 million raised by Clough against the future completion of the G1 project in India and final settlement of the BassGas dispute in Australia. This provision has contributed to an attributable loss in the company of A\$105,3 million (2006: A\$15,1 million loss).

Excluding the provision, ongoing operations in Clough delivered an attributable profit of A\$25,4 million on turnover of A\$761 million in the year.

The Group reviewed its investment in Clough following three years of losses including the significant provision this year. An impairment has been taken as an exceptional item that appropriately reduces the Group's holding cost in the company.

Murray & Roberts will consolidate Clough into its accounts from 1 July 2007 and has undertaken to underwrite a recapitalisation and support package for the company. Subject to Clough shareholder approval, the Group will consequently hold above 60% of the shares in Clough at an average price of A\$0,46 cents per share. The Clough Board is being restructured under the independent chairman; a new managing director with global oil & gas engineering and contracting experience has been appointed; and the Group's Australian chief executive resumes his role as a non-executive director of the company.

Full details on the Clough financial results for the year to 30 June 2007 and its prospects statement are available on [www.clough.com.au](http://www.clough.com.au)

## Exceptional Items

A loss of R103,4 million arose from the final disposal of the Group's automotive interests and a balance sheet impairment of R115 million was taken against the Group's investment in Clough.

Potential liabilities associated with the Group's property headlease structures have been resolved. The cost of the settlement was offset by a fair value adjustment on property assets.

## Black Economic Empowerment

The Group has continued to build its broad-based black economic empowerment (BBBEE) capability, with formal measures and regular reporting in place to ensure appropriate focus. An independent audit of the Group's BBBEE status was conducted in the year, confirming an effective empowerment ownership of 25,83%.

Total economic value created for an estimated 20000 employees and community participants in the share-based ownership and trust scheme has exceeded R1,5 billion in just 18 months.

## Acquisitions and Disposals

The capitalisation of Clough in December 2006 required an investment of A\$23,2 million, and the Group increased its shareholding by 3,0% to 49,1% at a cost of A\$6,3 million.

An 80% stake in specialist contractor Wade Walker was acquired effective January 2007 for the sum of R68 million. The company is performing ahead of expectation and contributes to the Group's engineering capability in the mining, industrial and power sector.

The remaining 50% held by the Group in Borbet Africa was sold in the first half-year, followed by the disposal of the foundries businesses, which had been part of the Group for 25 years.

Murray & Roberts continues to seek acquisition opportunities that will serve to enhance its existing market presence. All existing businesses are reviewed on a regular basis to ensure they are either aligned to the Group's strategic and performance objectives, or that they fall within the general competence of Group leadership.

## Health Safety and Environment

The declared objective of Group leadership is zero fatalities and disabling injuries on work sites and facilities under control of the Group. Regrettably, 11 people (2006: 10 people) were fatally injured on Murray & Roberts worksites in a year where 172 million hours (2006: 116 million hours) were recorded as worked. Of the fatalities 18% (2006: 50%) were employees of business partners.

The Stop.Think safety campaign has enhanced behavioural awareness across the Group and the Lost Time Injury Frequency Rate (LTIFR) of 3,0 (2006: 4,6) meets the Group's medium-term target. The Group's long-term LTIFR target of 1,0 will demand significant management attention to the cultural challenges that influence the change in attitude needed for sustainable HSE success.

A risk-based HIV/AIDS Policy Framework has been agreed for implementation across the Group, while work-related health issues such as airborne and noise pollution have been mapped and are being addressed.

A study into the Group's carbon footprint has been initiated that will guide new levels of investment or disinvestment in the context of the global climate change challenge.

## Prospects and Trading Statement

Murray & Roberts believes that profitable opportunity drives capacity and that industry sector leaders play a key role in this process. The Directors have approved a number of investment initiatives driven by management that will enhance Group and industry capacity to meet the complex and growing demands of the market over the foreseeable future.

Reviewing past Annual Reports of the Group, there seems little that has changed from the period 40 years ago in 1967 when the critical mass of the Group was enhanced through the merger of Roberts Construction and Murray & Stewart, and 30 years ago in 1977 when fixed investment in South Africa commenced its 25 year period of decline. Yet Murray & Roberts in particular and the industry in general rose to the challenge at the time and delivered significant world class economic infrastructure through a period of resource and skills deficit.

This was a period when many people still in the industry, started their careers.

But as it was in 1967, critical mass remains an important differentiator for success in a market where major and complex projects become the order of the day. Global scale for global projects and investment programs remains a challenge in our industry sector, where the majority of players are small relative to risk and impediments to consolidation on a national level are high.

Fully diluted headline earnings per share after consolidation of Clough is expected to grow between 30% and 40% in the year ahead, supported by ongoing market related growth.

This Trading Statement has not been audited or reviewed and is provided in terms of paragraph 3.4(b) of the JSE Listings Requirements.

On behalf of the directors

<b>Roy Andersen</b> Chairman of the Board	<b>Brian Bruce</b> Group Chief Executive	<b>Roger Rees</b> Group Financial Director
Bedfordview 29 August 2007		

## Notice to Shareholders

### Declaration of final ordinary dividend (No. 111)

Notice is hereby given that the final dividend, dividend No. 111 of 71 cents per share in respect of the financial year ended 30 June 2007 has been declared payable to shareholders recorded in the register at the close of business on Friday 19 October 2007.

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

Last day to trade cum the dividend	Friday, 12 October 2007
Shares commence trading ex dividend	Monday, 15 October 2007
Record date	Friday, 19 October 2007
Payment date	Monday, 22 October 2007

Share certificates may not be dematerialised or re-materialised between Monday 15 October 2007 and Friday 19 October 2007, both days inclusive.

On Monday 22 October 2007 the dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques will be dated and posted on 22 October 2007.

Dematerialised shareholder accounts will be credited at their CSDP or broker on Monday 22 October 2007.

By order of the Board

**Y Karodia**  
Group Secretary

Bedfordview  
29 August 2007

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

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

\* British † Irish \*Non executive

**Secretary:**  
Y Karodia

<b>Registered office:</b> Douglas Roberts Centre, 22 Skeen Boulevard, Bedfordview PO Box 1000 Bedfordview 2008	<b>Registrar:</b> Link Market Services South Africa (Pty) Limited 11 Diagonal Street, Johannesburg 2001
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