Murray & Roberts

Unaudited Interim Results

for the six months ended 31 December 2008

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

MURRAY & ROBERTS MAINTAINS PERFORMANCE MOMENTUM

Global economic slowdown may contain short-term growth

Condensed consolidated income statement

for the six months ended 31 December 2008

R millions	Unaudited 6 months 31.12.08	Unaudited 6 months 31.12.07	Audited Annual 30.6.08
Revenue	**17 556**	12 188	26 665
Earnings before interest, exceptional items, depreciation and amortisation	**1 816**	1 187	2 849
Depreciation	**(344)**	(228)	(530)
Amortisation of intangible assets	**(20)**	(19)	(39)
Earnings before interest and exceptional items	**1 452**	940	2 280
Exceptional items (note 3)	**(2)**	104	145
Earnings before interest and taxation	**1 450**	1 044	2 425
Net interest income/(expense)	**2**	(5)	30
Earnings before taxation	**1 452**	1 039	2 455
Taxation	**(336)**	(227)	(489)
Earnings after taxation	**1 116**	812	1 966
Profit from associates	**–**	3	9
Earnings from continuing operations	**1 116**	815	1 975
(Loss)/profit from discontinued operations (note 2)	**(31)**	37	89
Earnings for the period	**1 085**	852	2 064
Attributable to			
– Shareholders of the holding company	**902**	699	1 714
– Minority shareholders	**183**	153	350
	1 085	852	2 064
Earnings per share (cents)			
– Diluted	**301**	230	565
– Basic	**306**	235	577
Earnings per share from continuing operations (cents)			
– Diluted	**308**	223	547
– Basic	**313**	229	559
Total dividend per ordinary share (cents)*	**85**	77	196
Operating cash flow per share (cents)	**135**	471	939

*Based on period to which dividend relates

Supplementary income statement information

R millions	Unaudited 6 months 31.12.08	Unaudited 6 months 31.12.07	Audited Annual 30.6.08
Reconciliation of weighted average number of shares in issue (000)			
Weighted average number of ordinary shares in issue	**331 893**	331 893	331 893
Less: Weighted average number of shares held by The Murray & Roberts Trust	**(7 937)**	(5 448)	(5 333)
Less: Weighted average number of shares held by Murray & Roberts Limited	**(676)**	(676)	(676)
Less: Weighted average number of shares held by the Letsema BBBEE trusts	**(28 946)**	(28 953)	(28 946)
Weighted average number of shares used for basic per share calculation	**294 334**	296 816	296 938
Add: Dilutive adjustment for share options	**5 049**	7 545	6 370
Weighted average number of shares used for diluted per share calculation	**299 383**	304 361	303 308
Headline earnings per share (cents) (note 4)			
– Diluted	**302**	216	550
– Basic	**307**	221	562
Headline earnings per share from continuing operations (cents)			
– Diluted	**309**	209	532
– Basic	**314**	214	544

Condensed consolidated segmental analysis

for the six months ended 31 December 2008

R millions	Unaudited 6 months 31.12.08	Unaudited 6 months 31.12.07	Audited Annual 30.6.08
Revenue			
Construction & Engineering	**12 972**	9 026	19 132
Construction Materials & Services	**3 491**	2 427	5 838
Fabrication & Manufacture	**1 014**	676	1 582
Corporate & Properties	**79**	59	113
Continuing operations	**17 556**	12 188	26 665
Discontinued operations (note 2)	**919**	577	1 510
	18 475	12 765	28 175
Earnings before interest and exceptional items (EBIT)			
Construction & Engineering	**1 059**	612	1 335
Construction Materials & Services	**416**	359	901
Fabrication & Manufacture	**67**	44	177
Corporate & Properties	**(90)**	(75)	(133)
Continuing operations	**1 452**	940	2 280
Discontinued operations (note 2)	**(25)**	65	151
	1 427	1 005	2 431

Condensed consolidated balance sheet

at 31 December 2008

R millions	Unaudited 6 months 31.12.08	Unaudited 6 months 31.12.07	Audited Annual 30.6.08
ASSETS			
Non-current assets	**5 765**	4 847	5 533
Property, plant and equipment	**4 014**	2 900	3 694
Investment property	**475**	516	482
Goodwill	**491**	564	488
Other intangible assets	**69**	82	90
Investment in associate companies	**6**	32	13
Other investments	**525**	558	518
Other non-current receivables	**185**	195	248
Current assets	**15 758**	11 434	15 861
Accounts receivable and other	**6 825**	3 297	4 710
Amounts due from contract customers	**4 552**	3 719	6 462
Cash and cash equivalents	**4 381**	4 418	4 689
Assets classified as held for sale	**1 754**	–	256
TOTAL ASSETS	**23 277**	16 281	21 650
EQUITY AND LIABILITIES			
Total equity	**6 443**	4 602	5 825
Attributable to shareholders of the holding company	**5 367**	3 931	4 864
Minority shareholders' interest	**1 076**	671	961
Non-current liabilities	**895**	1 376	1 290
Long-term provisions	**74**	55	102
Obligations under finance headleases*	**25**	71	53
Other long-term liabilities*	**542**	938	751
Other non-current liabilities	**254**	312	384
Current liabilities	**14 985**	10 303	14 466
Accounts payable and other	**7 375**	6 398	9 293
Amounts due to contract customers	**5 377**	2 330	3 953
Bank overdrafts*	**1 416**	720	411
Short-term loans*	**817**	855	809
Liabilities directly associated with a disposal group held for sale	**954**	–	69
TOTAL EQUITY AND LIABILITIES	**23 277**	16 281	21 650

*Interest-bearing borrowings

Supplementary balance sheet information (R millions)

Net asset value per share (cents)	**1 617**	1 185	1 466
Commitments			
Capital expenditure			
– Spent	**1 383**	698	1 774
– Authorised but unspent	**1 850**	1 350	2 779
Operating lease commitments	**2 311**	367	2 528
Contingent liabilities	**246**	1 866	176
Financial institution guarantees	**12 408**	7 751	9 827

Condensed consolidated cash flow statement

for the six months ended 31 December 2008

R millions	Unaudited 6 months 31.12.08	Unaudited 6 months 31.12.07	Audited Annual 30.6.08
Cash generated by operations before working capital changes	**1 702**	1 361	3 221
Cash outflow from headlease and other property activities	**(15)**	(59)	(75)
(Increase)/decrease in working capital	**(670)**	436	445
Cash generated by operations	**1 017**	1 738	3 591
Interest and taxation paid	**(569)**	(176)	(475)
Operating cash flow	**448**	1 562	3 116
Dividends paid to shareholders of the holding company	**(352)**	(211)	(455)
Dividends paid to minority shareholders	**(67)**	(36)	(70)
Cash flow from operating activities	**29**	1 315	2 591
Cash flow from investing activities	**(1 346)**	(683)	(747)
Property, plant and equipment and intangible assets (net)	**(1 350)**	(625)	(1 666)
Cash flow from consolidation of Clough Limited	**–**	590	590
Business disposals/acquisitions (net)	**3**	(540)	262
Other investments (net)	**(4)**	(116)	30
Other (net)	**5**	8	37
Cash flow from financing activities	**(11)**	458	(263)
Net movement in borrowings	**242**	452	(303)
Net movement on issue of shares by subsidiary	**3**	–	108
Treasury share acquisitions/disposals (net)	**(256)**	6	(68)
Net (decrease)/increase in cash and cash equivalents	**(1 328)**	1 090	1 581
Net cash and cash equivalents at beginning of period	**4 278**	2 628	2 628
Effect of foreign exchange rates	**15**	(20)	69
Net cash and cash equivalents at end of period	**2 965**	3 698	4 278

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2008

R millions	Unaudited 6 months 31.12.08	Unaudited 6 months 31.12.07	Audited Annual 30.6.08
Opening balance	**5 825**	3 815	3 815
Earnings attributable to shareholders of the holding company	**902**	699	1 714
Movement in treasury shares	**(256)**	6	(68)
Recognition of hedging instrument on financial instruments	**(24)**	5	5
Earnings attributable to minority shareholders	**183**	153	350
Purchase/disposal of minorities (net)	**(66)**	387	325
Other movements in minority interest	**9**	(49)	12
Movement in share-based payment reserve	**31**	20	48
Foreign currency translation movement on investments	**258**	(223)	149
Dividend declared and paid	**(419)**	(211)	(525)
	6 443	4 602	5 825

Notes:

1. **Basis of preparation**

This unaudited interim report has been prepared and presented in accordance with IAS 34: Interim Financial Reporting and Schedule 4 of the Companies Act, No. 61 of 1973 (as amended). The accounting policies used in the preparation of these results are in accordance with International Financial Reporting Standards (IFRS) and consistent in all material respects with those used in the annual financial statements for the year ended 30 June 2008. These 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 currently in issue but not yet effective which would result in a change in accounting policy.

2. **(Loss)/profit from discontinued operations**

Clough Limited (Clough), having undertaken a strategic review of its operations, has confirmed its intent to concentrate activities within the Oil & Gas market, resulting in the decision to dispose of its 82% holding in PT Petrosea Tbk and related entities (Petrosea), which is now almost entirely focused on the Indonesian coal sector. Clough is confident that as a minimum expectation, the current carrying value of Petrosea can be realised through this sale process. It is expected that the disposal of Petrosea will be completed by the end of the financial year. The balances and results of Petrosea have been recorded in these financial statements as a discontinued operation. The prior year includes the disposal of Harvey Roofing Products (Proprietary) Limited.

R millions	31.12.08	31.12.07	30.6.08
Revenue	**919**	577	1 510
Earnings before interest, depreciation and amortisation	**39**	102	238
Depreciation and amortisation	**(64)**	(37)	(87)
Earnings before interest and taxation	**(25)**	65	151
Net interest expense	**(8)**	(6)	(15)
Taxation	**2**	(22)	(49)
Earnings after taxation	**(31)**	37	87
Profit from associate	**–**	–	2
(Loss)/profit from discontinued operations	**(31)**	37	89

3. **Exceptional items**

R millions	31.12.08	31.12.07	30.6.08
Property fair value adjustment	**–**	–	2
Profit on disposal of subsidiary	**10**	130	214
(Loss)/profit on disposal of land and buildings	**(12)**	60	43
Impairment of investments and goodwill	**–**	(86)	(111)
Other	**–**	–	(3)
Exceptional (loss)/profit	**(2)**	104	145

4. **Reconciliation of headline earnings**

R millions	31.12.08	31.12.07	30.6.08
Earnings attributable to shareholders of the holding company	**902**	699	1 714
Revaluation of investment property	**–**	–	(2)
Profit on disposal of subsidiary	**(10)**	(130)	(214)
Loss/(profit) on disposal of land and buildings	**12**	(60)	(43)
Impairment of investments	**–**	76	101
Impairment of goodwill	**–**	10	10
Taxation effect on above adjustments	**–**	5	11
Minority interest on above adjustments	**–**	56	92
Headline earnings	**904**	656	1 669

Our commitment to sustainable earnings growth and value creation is non-negotiable.

"Our world and markets have entered a period of sudden and unprecedented uncertainty. This is not the time to trumpet past achievements or predict future outcomes. Our job is quite simply to focus on what we do best – the job at hand. Do it diligently and competently, preserve our capital and work to ensure that we emerge strong and ready into a new world order that lies an uncertain time ahead."

Group Chief Executive ***Brian Bruce***

Commentary

The first half of the financial year has seen the deepening global economic crisis bring volatility to the Group's markets. Hardest hit are those markets where capital programs are primarily debt financed, including the commercial sector in the Emirate of Dubai and some aspects of the global commodity resources sector.

Despite the loss of some order book in the second quarter, the Group has continued to secure key project awards and has maintained its performance momentum. In line with expectation, working capital turned negative in the period to fund growth and major project activities. More recently, some clients have extended contracted payment terms or engaged strategies to frustrate the Group's contracted payment rights.

Performance resilience in the Group saw diluted headline earnings per share increase 40% to 302 cents for the six months to 31 December 2008 (2007: 216 cents) on revenues up 44% to R17,6 billion (2007: R12,2 billion).

A 54% increase in operating profit to R1,5 billion (2007: R0,9 billion) delivered an interim operating margin of 8,3% (2007: 7,7%) which remains within the Group's short-term range of 7,5% to 10,0%.

An operating cash inflow of R1,0 billion (2007: R1,7 billion) kept cash in hand constant at about R4,4 billion. As some of the cash is restricted in various joint ventures, short-term overdrafts were increased to fund revenue growth, which explains net interest income of just R2,3 million (2007: R5,0 million expense) when compared against interest income of R34,1 million in the second half of the previous year.

Attention is drawn to the formal dividend announcement contained herein. The directors have decided that for the foreseeable future, dividends will be calculated on Group earnings excluding Clough, plus what dividend is received from Clough. The interim ordinary dividend is set at 85 cents per share (2007: 77 cents per share) which is an increase of 10% at a dividend cover of 3,5 times diluted headline earnings per share.

Construction & Engineering revenue increased 44% to R13,0 billion (2007: R9,0 billion) with EBIT up 73% to R1,1 billion (2007: R612 million), including a positive fair value adjustment on concession investments comparable to the prior half-year.

Construction Materials & Services show a 44% revenue increase to R3,5 billion (2007: R2,4 billion) with EBIT up 16% to R416 million (2007: R359 million).

Fabrication & Manufacture revenue increased 50% to R1,0 billion (2007: R676 million) with EBIT at R67 million (2007: R44 million).

Corporate costs for the half-year are R90 million (2007: R75 million) including a non-cash charge of R28 million relating to share-based expenses accounted for in terms of IFRS 2 (2007: R20 million) and income of R32 million (2007: R26 million) on property assets held at Corporate.

Supported by zero tax rated earnings in Middle East and the tax loss shield at Clough Limited ("Clough"), the effective tax rate increased marginally to 23% (2007: 22%) on a 48% increase in the tax charge to R336 million (2007: R227 million).

Shareholder funds increased to R5,4 billion at 31 December 2008 compared with R4,9 billion at 30 June 2008, which represents a net asset value (NAV) up 10% at 1617 cents per share.

Order Book and Market Conditions

The project order book increased to R60 billion (June 2008: R55 billion) in the period under review and was stable against the R61 billion recorded at 30 September 2008.

The second quarter of the first half-year was characterised by increased uncertainty in all the Group's markets as the global economic crisis forced clients to review capital programs and in some instances, cancel or suspend committed contracts or withdraw pending contracts from the market.

New orders and increased contract values of about R28 billion since 30 June 2008 offset about R13 billion of the previous period order book delivered in the period and about R10 billion worth of contracts that have been cancelled or suspended due to the impact on some clients of the global economic downturn, of which about R2 billion occurred subsequent to 31 December 2008.

Construction Middle East accounts for R16,8 billion of order book (up 45%) with Construction SADC at R10,4 billion (down 17%), Engineering at R19,7 billion (up 27%), Mining Contracting at R5,6 billion (down 3%) and Clough at R7,5 billion (down 21%). About R10,0 billion of the order book extends beyond June 2011 (up 75%).

The regional composition of total order book is SADC 53% (56%), Middle East 28% (22%), Australasia 13% (18%) and Rest of World 6% (4%). The amounts in brackets are comparative levels to 30 June 2008.

The Group is of the view that order book volatility may be largely in the past, although there is increased evidence that tender prices are softening on the expectation of a tighter future market and lower input prices.

South and Southern Africa

South Africa may escape the full impact of global economic meltdown, but the country's economy will not be unaffected. The Group remains of the view that the South African construction cycle is in long-term upward trend, which is supported by a renewed commitment to public investment in infrastructure, likely to be funded by increased government debt. While it is certain that GDP growth will slow, indications are that Gross Fixed Capital Formation (GFCF), in particular Construction Spend, will see nominal growth of between 10% and 15%, assuming inflation at the top end of the Reserve Bank range and interest rates maintained at relatively high levels.

Efficiency of implementation will be of national importance and Murray & Roberts will offer its considerable experience and systems capability to ensure that it secures and implements its fair share of domestic and regional opportunity.

Private sector clients have been less resilient to liquidity constraints, with a combination of high interest rates, spiralling costs and falling demand bringing many projects to a standstill. The developer of Houghton Golf Estate defaulted on contracted payments due to Murray & Roberts, forcing the Group to take protective action by cancelling the contract and exercising its lien over the property. This secures working capital related to unpaid certificates.

Although still reasonably buoyant, the construction materials and services market in South Africa is experiencing flat demand and increased pricing pressure. Input costs to the Group's materials operations have not yet abated. Extreme volatility in the global steel sector coupled with significant stock holdings at peak cost, has forced a global shortage of product other than at historically embedded prices.

Middle East

Countries of the Gulf Cooperative Council (GCC) have been severely impacted by the lower oil price and energy demand brought on by global economic recession. Cash flows have dwindled and many major capital programs in the region have either been suspended or have been restructured over more extended periods.

Working capital has always been a feature of the regional construction industry and there are reported to be significant payments outstanding to contractors, placing the industry and its supply chain at considerable risk. The Group has proactively engaged its clients and reached firm agreement on its cancelled contracts such that cash in hand is utilised to fund outstanding payments and demobilisation costs.

Murray & Roberts has played a key role over the past 15 years implementing some significant projects across the region, but in light of current liquidity concerns, has focused its activities in the Emirate of Abu Dhabi and selected public sector projects in the Emirate of Dubai.

Global Mining & Minerals

Global resources groups responded proactively and rapidly to the pending economic downturn and many engaged an early process of capital program evaluation. Debt financed projects in North America and South Africa were the first to suffer which in many instances, led to cancellation or suspension. The greatest risk in Australia remains potential liquidation of mid-tier mining clients.

Lower commodity prices in general have challenged the viability of some projects, although there are signs that some stability is returning in certain sectors as stockpiles reduce and demand dynamics stabilise.

Nickel in Canada and Australia and platinum in South Africa are the key areas of current weakness. The three Group companies focused on this market sector are pursuing new opportunities in different geographies to compensate for the slowdown in traditional markets.

Clough Limited

The Group increased its shareholding in Clough to 59% with outstanding conversion rights of about 4% exercisable by November 2009. The average carry cost per share is AUD 47 cents compared to the current ruling market price of about AUD 31 cents.

Clough has further stabilised its core performance in the period under review and despite a challenging market, has delivered ahead of expectation. A settlement framework has been largely finalised on the legacy G1/GS15 project in India and all obligations should be fulfilled by the parties before year-end.

The oil & gas market is reasonably stable, and future demand expectation for LNG has kept a number of Australasian projects in play. Clough is confident it has established the scale and potential to play a key role in these projects in the future.

The Clough and Group financial accounts for this reporting period and prospects for the full year have been prepared on the basis that Clough's 82% shareholding in Indonesian listed contract mining subsidiary PT Petrosea will be sold in the second half-year. This will leave Clough strategically focused on the upstream oil & gas market, principally in Australia, the Rest of Asia and the America's.

Industry Competitiveness

Murray & Roberts has continued its engagement undertaking to the South African competition authorities and has initiated extensive internal audits, forensic investigation where appropriate and training interventions across the Group to ensure compliance.

The recent announcement by the Competition Commission concerning collusive activity in the precast concrete market is evidence of the commitment by management and the Board to eliminate this unacceptable practice. Where evidence exists of past such behaviour by individual operations executives that might place the Group at possible risk, appropriate action has and will be taken to protect shareholder value.

Human Capital

Following a record fatality-free four months, the Group regrets to report four fatalities in its South African operations during November 2008. A further five fatalities have occurred since work commenced again in early January 2009.

The Group has a comprehensive Health Safety and Environmental Policy which includes that each such incident is independently investigated to ascertain cause and consequence. On the surface, the majority of these incidents seem to be pure accident, but the underlying cause of the generally poor safety record in South Africa relative to the Group's international experience, requires further study and engagement.

It is regrettable but inevitable that economic slowdown will result in job loss. The Group has been able to reassign about 950 employees impacted by the cancellation and suspension of contracts to date. A total of 3900 employees have been retrenched since October 2008 of which 400 are in Canada, 75 in Middle East, 40 in Australia and 3385 in South Africa. About 1250 new jobs have also been created in South Africa.

The Group's formalised leadership development program remains extremely active and more recently, a comprehensive wellness program accessible to all employees, has been initiated across the Group's South African operations.

Board of Directors

There have been a number of changes in the constitution of the Board of Directors. Messrs Boetie van Zyl and Martin Shaw reached the mandatory retirement age for directors and retired at the annual general meeting in October 2008.

Mr David Barber was appointed to the Board in June 2008 and as Chairman of the Audit Committee. Mr Alan Knott-Craig was appointed to the Board in November 2008 and as Chairman of the Health Safety and Environment Committee.

Mr Royden Vice succeeded Mr van Zyl as Chairman of the Remuneration and Human Resources Committee, and Dr Sibusiso Sibisi in turn succeeded Mr Vice as Chairman of the Risk Management Committee.

Mr Keith Smith resigned as a director at the annual general meeting to concentrate on his executive responsibility for the Group's Southern Africa construction operations.

Prospects and Trading Statement

Murray & Roberts is the leading South African construction and engineering group and its global presence and reputation has enabled access to significant market opportunity and the leadership, partners, resources and skills needed to meet more stringent delivery expectations in a difficult market.

Notwithstanding the current global economic slowdown, the primary challenge still facing the Engineering & Construction Industry worldwide is the availability of sufficient experienced leadership and skilled human resource to deliver the major projects and investment programs currently underway and planned for the years ahead.

Order book development and capital preservation have become the Group's primary drivers for the foreseeable future, requiring a curtailment of capital expenditure, reduction of working capital, elimination of surplus and inefficient costs and increased levels of productivity.

The balance sheet impact on both Clough and the Group following disposal of PT Petrosea will be positive, although earnings in the second half-year will reduce.

With PT Petrosea classified as a discontinued operation in the accounts and making the comparative prior-year adjustment, diluted headline earnings per share for the year ending 30 June 2009 is still expected to increase in the range 30% to 40% as previously notified to shareholders.

Compared to previous guidance, the projected loss of PT Petrosea earnings in the second half-year contributes to a growth in diluted headline earnings per share for the year to 30 June 2009 of between 25% and 35% while diluted earnings per share is expected to grow between 20% and 30%.

This financial information on which this trading statement is based has not been reviewed or audited by the Group's auditors.

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

Bedfordview
25 February 2009

Notice to Shareholders

Declaration of interim ordinary dividend (No. 114)

Notice is hereby given that an interim ordinary cash dividend No. 114 of 85 cents per share (2008: 77 cents per share) in respect of the financial year ending 30 June 2009 has been declared payable to shareholders recorded in the register at the close of business on Thursday 9 April 2009.

The salient dates for the interim ordinary cash dividend are as follows:

Last day to trade cum the dividend	Thursday 2 April 2009
Trading ex dividend commences	Friday 3 April 2009
Record date	Thursday 9 April 2009
Payment date	Tuesday 14 April 2009

Share certificates may not be dematerialised or re-materialised between Friday 3 April 2009 and Thursday 9 April 2009, both days inclusive.

On Tuesday 14 April 2009 the interim dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques dated 14 April 2009 will be posted on that date.

Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Tuesday 14 April 2009.

By order of the Board

Y Karodia
Group Secretary

Bedfordview
25 February 2009

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

Directors:
RC Andersen* (Chairman)
BC Bruce (Managing & Group Chief Executive)
DD Barber* SJ Flanagan ADVC Knott-Craig*
NM Magau* JM McMahon* IN Mkhize* RW Rees[1]
AA Routledge* SP Sibisi* RT Vice*

[1] British *Non-executive

Secretary:
Y Karodia

Registered office:
Douglas Roberts Centre,
22 Skeen Boulevard,
Bedfordview 2007

PO Box 1000
Bedfordview 2008

Registrar:
Link Market Services
South Africa (Pty) Limited,
11 Diagonal Street,
Johannesburg 2001

PO Box 4844
Johannesburg 2000

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