INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

SALIENT FEATURES^

Compared to the previous reporting period, FY2017 H1 results were negatively impacted by:

- *Decline in earnings from the Oil & Gas platform (R172 million);*
- *Cost increase to close out projects and the business in the Middle East (R130 million);*
- *Forex movements (R244 million); and*
- *Net present value charge of Voluntary Rebuild Programme ("VRP") with South African Government (R170 million).*

Financial Results:

- *Revenue from continuing operations of R10,7 billion (December 2015: R13,0 billion);*
- *Diluted continuing HEPS of 27 cents (December 2015: 93 cents);*
- *Attributable loss of R60 million (December 2015: R376 million profit);*
- *Cash net of debt of R1,1 billion (December 2015: R1,0 billion);*
- *Order book for continuing operations of R24,5 billion (December 2015: R35,2 billion);*
- *NAV of R14 per share (December 2015: R16 per share); and*
- *In line with the approved dividend policy, the board of directors will only consider paying an annual dividend (December 2015: no interim dividend).*

Settlement of all Gautrain development period disputes.

Sale of Southern African Infrastructure & Building businesses and Genrec should be completed within the second half of the current financial year.

Record-low lost time injury frequency rate of 0.56 (December 2015: 0.78). Regrettably one fatal incident was suffered.

Approval to transfer the Company's sub-sector listing on the JSE from Heavy Construction to Diversified Industrial received in February 2017.

STAKEHOLDER REPORT – SIX MONTHS TO DECEMBER 2016

Murray & Roberts has a long and proud heritage of more than a century and is a multinational engineering and construction project lifecycle group, which delivers its capabilities into three global market sectors: oil & gas; metals & minerals and power & water. Murray & Roberts is a group of world-class companies and brands aligned to the same purpose and vision, and guided by the same set of values. More information is available at www.murrob.com.

FINANCIAL REPORT

Murray & Roberts is largely exposed to the cyclical global natural resources sector which has still not recovered from a period of prolonged weakness. This is reflected in the financial results recorded for the period under review.

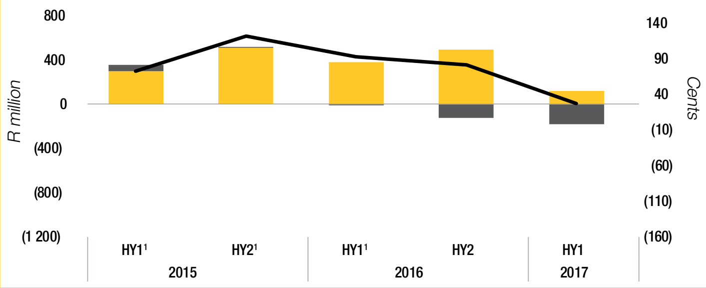
The Group regularly reviews and adjusts its cost structures in line with the decline in revenue in a market which is likely to remain tough for the short to medium term, whilst it continues to focus on commercial and project management excellence.

Revenue and profit from continuing operations were R10,7 billion (December 2015: R13,0 billion) and R119 million (December 2015: R389 million) respectively. After a loss from discontinued operations of R179 million, the attributable loss was R60 million (December 2015: R376 million profit). Diluted continuing headline earnings per share ("HEPS") decreased to 27 cents (December 2015: 93 cents). This result reflects a reduction in earnings from the Oil & Gas platform of R172 million, a cost increase to close out projects and the business in the Middle East (R130 million), a negative exchange rate movement of R244 million and a once-off charge of R170 million for the agreement entered into between all listed construction companies and the South African Government.

Capital expenditure for the six months was R371 million (December 2015: R190 million) of which R136 million (December 2015: R86 million) was for replacement and R235 million (December 2015: R104 million) for expansion, mainly in the Underground Mining platform, which is an encouraging sign of a possible recovery in the mining sector. The Group recorded cash net of debt of R1,1 billion (December 2015: R1,0 billion).

The order book for continuing operations decreased to R24,5 billion (December 2015: R35,2 billion).

ATTRIBUTABLE EARNINGS AND DILUTED CONTINUING HEPS



	2015 HY1[1]	2015 HY2[1]	2016 HY1[1]	2016 HY2	2017 HY1
Total attributable earnings (Rm)	359	522	376	377	(60)
Continuing attributable earnings (Rm)	302	508	378	499	119
Discontinued attributable earnings (Rm)	57	14	(2)	(122)	(179)
– Diluted continuing HEPS (cents)	73	122	93	82	27

[1] *Restated for discontinued operations.*

ORDER BOOK, NEAR ORDERS AND PROJECT PIPELINE

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

R billions	Order book	Near orders	Category 1	Category 2	Category 3
Power & Water	5,8	0,3	3,1	10,3	18,9
Underground Mining	12,9	8,2	14,1	21,9	28,7
Oil & Gas	4,9	0,5	22,4	12,7	250,1
Middle East*	0,9	–	–	–	–
Continuing Operations Totals	24,5	9,0	39,6	44,9	297,7
Discontinued Operations Totals	3,9	0,9	9,4	35,3	52,5
31 December 2016 Totals**	28,4	9,9	49,0	80,2	350,2
30 June 2016 Totals**	33,4	10,6	40,0	101,2	505,5

* *Bombela not included in the current year order book (investment – not consolidated)*

** *Including continuing and discontinued operations*

- **Near orders:** Tenders where the Group is the preferred bidder and final award is subject to financial/commercial close – there is more than a 95% chance that these orders will be secured.
- **Category 1:** Tenders the Group is currently working on (excluding Near orders) – projects developed by clients to the stage where firm bids are being obtained – chance of being secured as firm orders a function of final client approval as well as bid strike rate.
- **Category 2:** Budgets, feasibilities and prequalification the Group is currently working on – project planning underway, not at a stage yet where projects are ready for tender.
- **Category 3:** Opportunities which are being tracked and are expected to come to the market in the next 36 months – identified opportunities that are likely to be implemented, but still in pre-feasibility stage.

DIVIDEND UPDATE

In terms of the Group's dividend policy communicated at the release of the Group's FY2015 results on 26 August 2015, the board of directors of the Company ("Board") will consider paying an annual dividend of between three and four times earnings cover.

OPERATIONAL REPORT#

OIL & GAS

R millions	Engineering		Construction		Global Marine		Commissioning & Brownfields		Corporate and Other		Total	
December (Reviewed)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	733	1 612	116	–	258	612	1 790	3 486	134	347	3 031	6 057
Operating profit/(loss)	45	158	(23)	–	22	(49)	229	353	(170)	(187)	103	275
Margin (%)	6%	10%	(20%)	–	9%	(8%)	13%	10%	–	–	3%	5%
Order Book	1 011	1 508	952	–	151	555	2 820	7 064	–	–	4 934	9 127
Segment assets											2 540	4 206
Segment liabilities											1 677	3 130
LTIFR (Fatalities)											0.0(0)	0.30(0)

The Oil & Gas platform works with some of the largest energy and resources companies to engineer, construct, commission and maintain a comprehensive range of infrastructure for energy, chemical, mining and mineral projects.

The most material factor impacting the Group's profitability is the substantial decline in earnings from the Oil & Gas platform following the significant drop in the oil price during the second half of calendar year 2014. Since then, few new capital projects came to market and the large energy companies are still delaying or deferring expenditure to preserve cash. In Australasia the decade long major investment in new Liquefied Natural Gas ("LNG") projects came to an end and the platform will be very active in the commissioning market for the next 12 to 18 months. Brownfields operations and maintenance opportunities are expected to be the main source of earnings from this region until at least 2021.

Revenue reduced to R3 billion (December 2015: R6,1 billion) and operating profit to R103 million (December 2015: R275 million) reflecting lower margins on a smaller revenue base. The order book decreased to R4,9 billion (December 2015: R9,1 billion) as all large construction orders have been delivered and the order book now largely comprises smaller value and shorter duration orders.

The composition of earnings has changed over time and currently excludes large contributions from construction work, with income from commissioning work dominating. The Wheatstone hook-up and commissioning project for Chevron was a major contributor to earnings during the first six months of the year. The recently acquired businesses, Booth Welsh (Scotland) and CH-IV (USA) are small, but profitable. The business is focusing on securing a prominent share of the commissioning and emerging Brownfields and asset support market on LNG facilities in Australasia and new re-gas opportunities associated with the gas-to-power programme in Indonesia.

Meaningful earnings growth from this low base is expected only when global energy producers again start to invest in new projects, which is envisaged to be in the short to medium term. The tendering department is very busy and a number of key prospects are awaiting adjudication, as evident in the category 1 pipeline prospects. The first new major Greenfields opportunities are expected to be in Papua New Guinea, as energy producers are progressing work associated with new LNG facilities, to be ready for production by 2022 and 2023.

UNDERGROUND MINING

R millions	Africa		Australasia		The Americas		Total	
December (Reviewed)	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	1 718	1 729	901	570	1 483	1 899	4 102	4 198
Operating profit	41	16	99	43	58	160	198	219
Margin (%)	2%	1%	11%	8%	4%	8%	5%	5%
Order Book	9 162	10 328	1 212	1 878	2 544	4 051	12 918	16 257
Segment assets	1 129	987	906	809	1 725	2 087	3 760	3 883
Segment liabilities	931	810	328	191	608	743	1 867	1 744
LTIFR (Fatalities)	1.09(0)	2.65(1)	0.92(0)	0.0(0)	2.83(0)	1.59(0)	1.31(0)	2.18(1)

The Underground Mining platform continues to perform well in a soft global commodities market. The platform's geographic footprint is extensive and its service offering spans the project lifecycle from specialist engineering, shaft construction, mine development, other specialist mining services such as raise boring, to contract mining. Contract mining projects are being undertaken in all main geographic regions, providing a more stable long-term baseload of work.

Revenues reduced marginally to R4,1 billion (December 2015: R4,2 billion) and operating profit to R198 million (December 2015: R219 million). The order book was R12,9 billion (December 2015: R16,3 billion).

The Australian business is experiencing increased demand, although the businesses in the USA and Canada are under pressure as new project awards are being delayed. The African business continued to achieve good results in Zambia. The tender validity on the Kalagadi project was extended and the commencement date of the project is still uncertain.

There are significant tenders awaiting adjudication in South Africa, including the new Platreef mine and scope growth at Venetia and Booysendal. There are few new major category 1 prospects in the Americas and Australia, although several smaller opportunities are awaiting adjudication.

The platform is well positioned in the world's main mining regions; Africa, Australasia and the Americas and is a contractor of choice to blue chip clients. It is expected that the backlog in mining investments will support commodity prices in the medium term and that new Greenfields projects will bolster the current Brownfields opportunities available in the market.

POWER & WATER

R millions	Power Programme[2]		Water & MEI[3]		Total	
December (Reviewed)	2016	2015[1]	2016	2015[1]	2016	2015[1]
Revenue	2 298	1 915	663	(24)	2 961	1 891
Operating profit/(loss)	126	116	(60)	(144)	66	(28)
Margin (%)	5%	6%	(9%)	600%	2%	(1%)
Order Book	5 330	6 950	437	685	5 767	7 635
Segment assets	1 455	1 005	428	623	1 883	1 628
Segment liabilities	1 031	760	371	411	1 402	1 171
LTIFR (Fatalities)	0.68(0)	1.04(0)	0.44(0)	1.86(0)	1.05(0)	1.27(0)

[1] *Restated for discontinued operations.*

[2] *Power programme contracts.*

[3] *Includes Water and Mechanical, Electrical Instrumentation ("MEI").*

The Power & Water platform's service offering spans the full project lifecycle, from project development to engineering, procurement and construction, with a focus on traditional mechanical, electrical and instrumentation services, as well as operations and maintenance services.

The Medupi and Kusile power station projects remain the main source of income for this platform. The current scope of work on these projects is expected to be largely completed by June 2018. Continuing construction work post hydro-testing, albeit at a smaller scale, to continue over a longer period. Maintenance opportunities will come to market thereafter. Although the projects are progressing well, final commercial close out is likely to be complicated and challenging.

Revenues increased to R3 billion (December 2015: R1,9 billion) mainly from acceleration on Medupi and Kusile and an operating profit of R66 million (December 2015: R28 million operating loss) was recorded. The order book decreased to R5,8 billion (December 2015: R7,6 billion). The operating profit is net of a loss of R116 million on the Wet Flue Gas Desulphurisation project at Kusile. Claims on this project are not sufficiently advanced and hence have not been accounted for in the current reporting period.

The prospects for new power projects in South Africa are positive, and the platform is well positioned for opportunities in the coal, solar and future gas-to-power sectors. The announcement towards the end of the 2016 calendar year of two new IPP coal-fired power stations (Khanyisa – 306MW and Thabametsi – 557MW), as well as the gas-to-power programme (LNG Power Producer Procurement Program: Coega – 1 000MW, and Richards Bay – 2 000MW), present significant replacement work opportunity for Medupi and Kusile. This market remains very competitive as more companies are targeting this sector. Near-term opportunities include the George Biomass project, as well as the Duvha boiler rebuild for Eskom.

The platform also services complementary markets, such as the petrochemical sector. Construction and shutdown opportunities for Sasol Limited at Secunda and Sasolburg are key focus areas. Efforts are continuing to establish a meaningful water business, with a focus on desalination, innovative municipal wastewater treatment technologies, industrial modular water treatment plants and acid mine drainage. A recently established partnership with RMB offers industrial users a water security and re-use solution at a predetermined cost for treated water. The partnership will design, own, operate, maintain and fund the water plants and a keen interest has been expressed by potential clients.

BOMBELA AND MIDDLE EAST ENTITIES
(Retained post the discontinuation of the Southern African Infrastructure & Building businesses)

R millions	Bombela Investments		Middle East		Total	
December (Reviewed)	2016	2015	2016	2015	2016	2015
Revenue	120	52	439	774	559	826
Operating profit/(loss)	171	15	(173)	(43)	(2)	(28)
Margin (%)	143%	29%	(39%)	(6%)	(0%)	(3%)
Order Book	–	72	906	2 069	906	2 141
Segment assets	2 120	2 244	1 770	3 353	3 890	5 597
Segment liabilities	1 712	1 466	1 556	2 927	3 268	4 393
LTIFR (Fatalities)	0.0(0)	0.53(1)	0.0(0)	0.0(0)	0.0(0)	0.22(1)

The Group's Gautrain-related businesses include its investments in the Bombela Concession Company, Bombela Civils Joint Venture and the Bombela Operating Company. The Bombela Concession Company continues to perform well and delivers great value.

All Gautrain development period claims have been settled with the Gauteng Provincial Government. This was an all-inclusive settlement and the settlement value achieved supported the uncertified revenue previously taken against claims, net of the provision for potential future Gautrain tunnel water ingress work. In terms of this agreement no further work is required to be undertaken in the tunnel.

In the Middle East current projects are expected to be completed by December 2017 and no new projects are being pursued. Close-out of the business in the Middle East continues to present major risk, as reflected by the loss incurred of R173 million in this first half of the year.

COMMENTARY CONTINUED

DISCONTINUED OPERATIONS

R millions	Tolcon & Construction Products[4]		Clough Properties		I&B Businesses		Genrec Engineering		Total	
December (Reviewed)	2016	2015	2016	2015	2016	2015[1]	2016	2015[1]	2016	2015[1]
Revenue	–	6	6	–	2 411	2 149	135	195	2 552	2 350
Operating profit/(loss)	–	3	(2)	–	(139)	45	(23)	(52)	(164)	(4)
Trading (loss)/profit and other	–	(3)	(2)	–	37	45	(23)	(52)	12	(10)
VRP settlement charge	–	–	–	–	(170)	–	–	–	(170)	–
IFRS 2 charge	–	–	–	–	(6)	–	–	–	(6)	–
Net profit on sale of businesses	–	6	–	–	–	–	–	–	–	6
Margin (%)	–	50%	(33%)	–	(6%)	2%	(17%)	(27%)	(6%)	0%
Order Book	–	–	–	–	3 707	5 292	201	45	3 908	5 337
Net assets classified as held-for-sale	–	–	–	–	314	–	185	–	499	–
LTIFR (Fatalities)	0.0(0)	0.0(0)	0.0(0)	0.0(0)	0.46(1)	0.0(0)	1.56(0)	0.0(0)	0.0(1)	0.0(0)

[1] *Restated for discontinued operations.*
[4] *Includes Tolcon, Construction Products Africa and Steel Reinforcing Products.*

The Southern African Infrastructure & Building businesses and Genrec were reclassified to discontinued operations as at 30 June 2016 and the comparative financial results have been restated. The R170 million net present value charge of participating in the Voluntary Rebuild Programme between the listed construction companies and the South African Government, as previously announced on the Stock Exchange News Service of the JSE Limited ("SENS"), was recorded under discontinued operations.

CORPORATE OFFICE

Direct Corporate Office costs in the Group have reduced from R256 million in 2011 to circa R130 million. The Corporate Office sets the strategic direction and provides support to our local and international businesses.

STRATEGIC INITIATIVES

The Group accomplished three significant strategic initiatives in the first six months of the 2017 financial year:

Settlement of all Gautrain development period disputes – In November 2016, the Bombela Concession Company (on behalf of the Bombela Civil Joint Venture of which Murray & Roberts is a 45% shareholder) and the Gauteng Provincial Government agreed to a comprehensive settlement of all disputes relating to the development period (construction period) of the Gautrain Rapid Rail Link Project. This brings to an end a multi-year protracted legal process. In terms of the agreement, the Gauteng Provincial Government paid an upfront amount of R980 million and a further payment to be received over a two-year period of a capped amount of R294 million – these values are inclusive of Value Added Tax and the Group's share in the settlement value is 50 percent. This is a final settlement of all construction-related disputes and in the best interest of all stakeholders.

Sale of the Southern African Infrastructure & Building businesses – On 1 November 2016, Murray & Roberts announced on SENS the purchase of its Southern African Infrastructure & Building businesses by a consortium led by the Southern Palace Group of Companies Proprietary Limited. The fully-funded transaction consideration is R314 million. The sale remains conditional, and Competition Commission approval is the only material condition precedent still to be met. This transaction should be completed before the end of the current financial year.

Voluntary Rebuild Programme agreement with the South African Government – In October 2016 Murray & Roberts, and six other South African engineering and construction companies, reached an agreement with the South African Government, mitigating the companies' risk to claims for damages from identified public entities, arising primarily from the fast track settlement process launched by the South African Competition Authorities in February 2011.

HEALTH AND SAFETY

The Board deeply regrets the death of Ditebogo Phuduhudu (27), who sustained fatal injuries whilst on duty on the Infrastructure & Building platform's Noupoort Wind Farm Project in the Northern Cape.

The Group's overall lost time injury frequency rate reduced to a record-low level of 0.56 (December 2015: 0.78). Our goal is zero harm to our employees, service providers and communities where we operate. Good safety performance is not only a moral obligation but also a differentiating factor for all our business platforms.

UPDATE ON THE GROUP'S CLAIMS PROCESSES

As at the end of December 2016, the Group's uncertified revenue totalled R1 billion (December 2015: R2 billion), and is primarily represented by the Group's claims on projects in the Middle East. All claims are diligently pursued and stakeholders will be kept informed as to their progress.

The arbitration regarding the Dubai International Airport claim is progressing with hearing dates scheduled for April to May 2017 and October to November 2017. Subject to a change in hearing dates, an award is expected by February 2018.

GRAYSTON PEDESTRIAN BRIDGE TEMPORARY WORKS COLLAPSE – UPDATE

In November 2015, the Department of Labour instituted a Section 32 Inquiry ("the Inquiry") into the incident to determine the cause or causes for the collapse of the temporary works structure. This is a formal inquiry conducted under the provisions of the Occupational Health and Safety Act, 1993. The Inquiry is due to resume on 27 March 2017.

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.

Approval was obtained in January 2017 from the Department of Labour to commence construction over the M1 highway. The project is expected to be completed during the latter part of the calendar year.

CHANGES TO THE BOARD

On 30 November 2016, Murray & Roberts announced on SENS that Cobus Bester has decided to retire after five and a half years as Group Financial Director, but will continue in his current role until his successor is appointed, which is expected to be before June 2017.

Michael McMahon and Royden Vice retired from the Board effective from 30 September 2016 and 30 November 2016 respectively, having reached the mandatory retirement age for Board members. The Group thanks Michael and Royden for their contribution to the Board since 2004 and 2005 respectively.

STRATEGIC DIRECTION

It is the Group's vision to be a leading multinational group that applies its project lifecycle capabilities to optimise fixed capital investment.

Post the sale of the Southern African Infrastructure & Building businesses and Genrec, the Group's strategic direction is firmly focused on selected global oil & gas, metals & minerals and power & water market sectors. The three key drivers supporting long-term sustainable growth in these natural resources market sectors are: global economic growth, global population growth and continued urbanisation.

The Company has received approval to transfer its sub-sector listing on the JSE from Heavy Construction to Diversified Industrial. The Diversified Industrial sub-sector most closely describes the nature of the Company's current businesses and the change in sector will be effective from Monday, 20 March 2017.

PROSPECTS STATEMENT

The global markets in which the Group operates have been depressed for the last few years and the Board expects difficult trading conditions to continue in the short to medium term. As shared in updates to the market in November and December 2016, the current financial year is turning out to be even more challenging than the past year.

The natural resources market sectors are cyclical and the Group is well positioned for the upcycle. The outlook for metals and minerals is improving and it is expected that the Underground Mining platform will in the short term benefit from new investment in the mining sector. A recovery in the Oil & Gas platform will take longer as the LNG market is expected to remain well supplied until 2022.

The Group's businesses are respected for their capabilities and services and all platforms continue to focus on operational excellence, cost reduction and efficiency in order to trade through this difficult period.

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

MARKET ACTIVITY IN MURRAY & ROBERTS' ORDINARY SHARES

Shareholders are referred to the SENS announcement released by the Company on 22 February 2017, relating to the acquisition by ATM Holding GmbH, Munich, a company registered in accordance with the laws of Germany, of a material beneficial interest in Murray & Roberts.

On behalf of the directors:

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

Bedfordview
22 February 2017

^ *The Southern African Infrastructure & Building businesses and Genrec were reclassified to discontinued operations as at 30 June 2016 and the comparative financial results have been restated.*
# *The operating performance information disclosed has been extracted from the Group's operational reporting systems. 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 months ended 31 December 2015.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the six months ended 31 December 2016

R millions	Reviewed 6 months to 31 December 2016	Reviewed 6 months to 31 December 2015[1]	Audited Annual 30 June 2016
Continuing operations			
Revenue	10 653	12 972	26 148
Profit before interest, depreciation and amortisation	498	816	1 774
Depreciation	(224)	(211)	(448)
Amortisation of intangible assets	(22)	(26)	(51)
Profit before interest and taxation (note 2)	252	579	1 275
Net interest expense	(27)	(52)	(71)
Profit before taxation	225	527	1 204
Taxation	(112)	(144)	(298)
Profit after taxation	113	383	906
Income from equity accounted investments	6	6	8
Profit from continuing operations	119	389	914
Loss from discontinued operations (note 3)	(179)	(2)	(124)
(Loss)/profit for the period	(60)	387	790
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	(60)	376	753
– Non-controlling interests*	–	11	37
	(60)	387	790
(Loss)/earnings per share from continuing and discontinued operations (cents)			
– Diluted	(15)	91	182
– Basic	(15)	94	189
Earnings per share from continuing operations (cents)			
– Diluted	29	91	212
– Basic	30	95	220
Supplementary statement of financial performance information			
Net asset value per share (Rands)	14	16	16
Dividends per share (cents)	–	–	45
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	(31 697)	(31 703)	(31 711)
Less: Weighted average number of shares held by the subsidiary companies	(15 912)	(14 826)	(14 341)
Weighted average number of shares used for basic per share calculation	397 097	398 177	398 654
Add: Dilutive adjustment	19 615	15 287	13 865
Weighted average number of shares used for diluted per share calculation	416 712	413 464	412 519
Headline (loss)/earnings per share from continuing and discontinued operations (cents) (note 4)			
– Diluted	(4)	86	153
– Basic	(4)	89	158
Headline earnings per share from continuing operations (cents) (note 4)			
– Diluted	27	93	175
– Basic	28	96	181

[1] *Restated for discontinued operations.*
* *Amount is less than R1 million.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2016

R millions	Reviewed 6 months to 31 December 2016	Reviewed 6 months to 31 December 2015	Audited Annual 30 June 2016
(Loss)/profit for the period	(60)	387	790
Items that will not be reclassified subsequently to profit or loss:			
Effects of remeasurements on retirement benefit obligations	–	–	(3)
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations and realisation of reserve	(423)	564	226
Total comprehensive (loss)/income for the period	(483)	951	1 013
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	(524)	939	975
– Non-controlling interests	41	12	38
	(483)	951	1 013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2016

R millions	Reviewed 6 months to 31 December 2016	Reviewed 6 months to 31 December 2015	Audited Annual 30 June 2016
ASSETS			
Non-current assets	4 939	8 306	6 095
Property, plant and equipment	2 105	3 142	2 189
Investment property	–	23	–
Goodwill (note 5)	607	698	642
Deferred taxation assets	540	649	604
Investments in associate companies	15	15	18
Investment in joint venture	–	46	–
Amounts due from contract customers (note 6)	586	2 661	1 514
Other non-current assets	1 086	1 072	1 128
Current assets	8 792	11 175	9 535
Inventories	288	285	241
Trade and other receivables	1 209	1 557	1 490
Amounts due from contract customers (note 6)	5 118	6 298	4 965
Current taxation assets	9	120	26
Cash and cash equivalents	2 168	2 915	2 813
Assets classified as held-for-sale	2 190	79	2 335
TOTAL ASSETS	15 921	19 560	17 965
EQUITY AND LIABILITIES			
Total equity	6 556	7 165	7 264
Attributable to owners of Murray & Roberts Holdings Limited	6 414	7 128	7 201
Non-controlling interests	142	37	63
Non-current liabilities	1 258	3 060	1 117
Long-term liabilities[5]	697	1 436	650
Long-term provisions	157	145	187
Deferred taxation liabilities	183	245	179
Other non-current liabilities	221	1 234	101
Current liabilities	6 448	9 334	7 694
Amounts due to contract customers (note 6)	1 435	2 046	1 522
Accounts and other payables	4 647	6 767	5 723
Current taxation liabilities	14	30	60
Bank overdrafts[5]	64	140	76
Short-term loans[5]	288	351	313
Liabilities classified as held-for-sale	1 659	1	1 890
TOTAL EQUITY AND LIABILITIES	15 921	19 560	17 965

[5] *Interest bearing borrowings.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2016

R millions	Stated capital	Other reserves	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited	Non-controlling interests	Total equity
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[6]	–	(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
Total comprehensive (loss)/income for the period	–	(339)	375	36	26	62
Treasury shares disposed (net)	27	–	–	27	–	27
Recognition of share-based payment	–	44	–	44	–	44
Utilisation of share-based payment reserve	–	(32)	–	(32)	–	(32)
Transfer to retained earnings	–	(2)	2	–	–	–
Dividends declared and paid[7]	–	–	(2)	(2)	–	(2)
Balance at 30 June 2016 (Audited)	2 552	1 538	3 111	7 201	63	7 264
Total comprehensive (loss)/income for the period	–	(464)	(60)	(524)	41	(483)
Treasury shares acquired (net)	(14)	–	–	(14)	–	(14)
Recognition of share-based payment	–	26	–	26	–	26
Utilisation of share-based payment reserve	–	(50)	–	(50)	–	(50)
Transfer from retained earnings	–	2	(2)	–	–	–
Realisation of non-controlling interests	–	(24)	(14)	(38)	38	–
Dividends declared and paid to owners of Murray & Roberts Holdings Limited	–	–	(187)	(187)	–	(187)
Balance at 31 December 2016 (Reviewed)	2 538	1 028	2 848	6 414	142	6 556

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2016

R millions	Reviewed 6 months to 31 December 2016	Reviewed 6 months to 31 December 2015	Audited Annual 30 June 2016
Cash generated/(utilised) by operations	279	(50)	1 089
Interest received	52	29	77
Interest paid	(79)	(79)	(148)
Taxation paid	(111)	(151)	(256)
Operating cash flow	141	(251)	762
Dividends paid to owners of Murray & Roberts Holdings Limited	(187)	(209)	(211)
Net cash (out)/in flow from operating activities	(46)	(460)	551
Acquisition of businesses	–	(22)	(22)
Dividends received from joint ventures classified as held-for-sale	–	2	2
Dividends received from associate companies	9	18	18
Investment in joint venture classified as held-for-sale	(1)	–	(24)
Purchase of intangible assets other than goodwill	(11)	(21)	(62)
Purchase of property, plant and equipment	(371)	(190)	(431)
– Replacements	(136)	(86)	(99)
– Additions	(235)	(104)	(332)
Proceeds on disposal of property, plant and equipment	23	78	160
Proceeds on disposal of intangible assets other than goodwill	14	–	–
Proceeds on disposal of businesses	–	13	15
Proceeds on disposal of assets held-for-sale	8	–	–
Proceeds from realisation of investment	122	54	54
Cash related to assets held-for-sale	(303)	(2)	(257)
Other (net)	(1)	(1)	(3)
Net cash outflow from investing activities	(511)	(71)	(550)
Movement in borrowings	233	137	(374)
Treasury shares acquired (net)	(64)	(92)	(78)
Cash in/(out) flow from financing activities	169	45	(452)
Net decrease in cash and cash equivalents	(388)	(486)	(451)
Net cash and cash equivalents at beginning of period	2 737	2 847	2 847
Effect of foreign exchange rates	(245)	414	341
Net cash and cash equivalents at end of period	2 104	2 775	2 737
Net cash and cash equivalents comprises of:			
Cash and cash equivalents	2 168	2 915	2 813
Bank overdrafts	(64)	(140)	(76)
Net cash and cash equivalents at end of period	2 104	2 775	2 737

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

for the six months ended 31 December 2016

R millions	Reviewed 6 months to 31 December 2016	Reviewed 6 months to 31 December 2015[1]	Audited Annual 30 June 2016
Revenue[8]			
Bombela & Middle East	559	826	1 872
Power & Water	2 961	1 891	4 276
Underground Mining	4 102	4 198	8 788
Oil & Gas	3 031	6 057	11 212
Continuing operations	10 653	12 972	26 148
Discontinued operations	2 552	2 350	4 658
	13 205	15 322	30 806
Continuing operations			
Profit/(loss) before interest and taxation[9]			
Bombela & Middle East	(2)	(28)	6
Power & Water	66	(28)	27
Underground Mining	198	219	506
Oil & Gas	103	275	525
Corporate & Properties	(113)	141	211
Profit before interest and taxation	252	579	1 275
Net interest expense	(27)	(52)	(71)
Profit before taxation	225	527	1 204
Discontinued operations			
Loss before interest and taxation[8]	(164)	(4)	(118)
Net interest income	–	2	–
Loss before taxation	(164)	(2)	(118)

[1] *Restated for discontinued operations.*
[8] *Revenue is disclosed net of inter-segmental revenue. Inter-segmental revenue for the Group is R39 million (2015: R18 million and June 2016: R98 million).*
[9] *The chief operating decision maker utilises profit before interest and taxation in the assessment of a segment's performance.*

SEGMENTAL ASSETS (CONTINUING AND DISCONTINUED)

at 31 December 2016

R millions	Reviewed 6 months to 31 December 2016	Reviewed 6 months to 31 December 2015	Audited Annual 30 June 2016
Bombela & Middle East	3 890	5 597	5 454
Power & Water	1 883	1 628	1 702
Construction Products Africa	11	41	19
Underground Mining	3 760	3 883	3 631
Oil & Gas	2 540	4 206	2 919
Corporate & Properties	1 120	521	797
	13 204	15 876	14 522
Reconciliation of segmental assets			
Total assets	15 921	19 560	17 965
Deferred taxation assets	(540)	(649)	(604)
Current taxation assets	(9)	(120)	(26)
Cash and cash equivalents	(2 168)	(2 915)	(2 813)
	13 204	15 876	14 522

SEGMENTAL LIABILITIES (CONTINUING AND DISCONTINUED)

at 31 December 2016

R millions	Reviewed 6 months to 31 December 2016	Reviewed 6 months to 31 December 2015	Audited Annual 30 June 2016
Bombela & Middle East	3 268	4 393	4 195
Power & Water	1 402	1 171	1 346
Construction Products Africa	–	15	2
Underground Mining	1 867	1 744	1 873
Oil & Gas	1 677	3 130	2 072
Corporate & Properties	890	1 527	898
	9 104	11 980	10 386
Reconciliation of segmental liabilities			
Total liabilities	9 365	12 395	10 701
Deferred taxation liabilities	(183)	(245)	(179)
Current taxation liabilities	(14)	(30)	(60)
Bank overdrafts	(64)	(140)	(76)
	9 104	11 980	10 386

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 for the period ended 31 December 2016 have been prepared in accordance with International Financial Reporting Standard (IAS) 34, Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The condensed consolidated financial information was compiled under the supervision of 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 2016. There have been no new Standards and Interpretations applied in the current financial period.

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 auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the registered office.

The information presented in the notes below represents audited results for 30 June 2016 and reviewed results for 31 December 2016 and 31 December 2015.

2. PROFIT BEFORE INTEREST AND TAXATION

R millions	31 December 2016	31 December 2015[1]	30 June 2016
Items by nature			
Cost of sales	(9 392)	(11 845)	(23 199)
Distribution and marketing expenses	(2)	(3)	(9)
Administration expenses	(1 257)	(1 118)	(2 461)
Other operating income	250	573	796
	(10 401)	(12 393)	(24 873)

[1] *Restated for discontinued operations.*

3. LOSS FROM DISCONTINUED OPERATIONS

The Board has taken the decision that the Southern African operations within the Infrastructure & Building platform and the Genrec operations within the Power & Water platform are no longer part of the strategic future of the Group. These operations have met the requirements in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations and have been presented as discontinued operations in the Group's statement of financial performance, including the restatement of prior year comparatives as required by the accounting standards. All assets and liabilities related to the sales have been transferred to held-for-sale in the statement of financial position.

3.1 Loss from discontinued operations

R millions	31 December 2016	31 December 2015[1]	30 June 2016
Revenue	2 552	2 350	4 658
(Loss)/profit before interest, depreciation and amortisation	(162)	57	(8)
Depreciation and amortisation	(2)	(61)	(110)
Loss before interest and taxation (note 3.2)	(164)	(4)	(118)
Net interest income	–	2	–
Loss before taxation	(164)	(2)	(118)
Taxation expense	(14)	–	(16)
Loss after taxation	(178)	(2)	(134)
(Loss)/income from equity accounted investments	(1)	–	10
Loss from discontinued operations	(179)	(2)	(124)
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	(179)	(2)	(124)
– Non-controlling interests	–	–	–
	(179)	(2)	(124)

3.2 Loss before interest and taxation

Loss before interest and taxation includes the following significant items:			
Profit on disposal of businesses (net of transaction and other costs)	–	6	6
Fair value adjustment on disposal group held-for-sale	–	–	(44)
Fair value loss on assets and liabilities held-for-sale	(79)	–	–
Voluntary Rebuild Programme charge	(170)	–	–
Impairment of property, plant and equipment (net)	–	–	(36)

3.3 Cash flows from discontinued operations include the following:

Cash flow from operating activities	199	(180)	(71)
Cash flow from investing activities	(20)	61	(121)
Cash flow from financing activities	32	(66)	25
Net increase/(decrease) in cash and cash equivalents	211	(185)	(167)

4. RECONCILIATION OF HEADLINE EARNINGS

R millions	31 December 2016	31 December 2015[1]	30 June 2016
Profit attributable to owners of Murray & Roberts Holdings Limited	(60)	376	753
Profit on disposal of businesses (net)	–	(6)	(6)
Profit on disposal of assets (net)	(18)	(54)	(63)
Impairment of assets (net)	–	46	49
Reversal on impairment of property, plant and equipment (net)	(1)	–	–
Fair value adjustment on disposal group classified as held-for-sale	–	–	44
Fair value adjustments and net loss on disposal of assets held-for-sale	79	–	26
Fair value adjustments on investment property	–	(3)	(5)
Fair value adjustments on investment property (equity accounted investments)	–	–	(13)
Realisation of foreign currency translation reserve	–	–	(223)
Taxation effects on adjustments	(17)	(3)	69
Headline earnings	(17)	356	631

4. RECONCILIATION OF HEADLINE EARNINGS (CONTINUED)

R millions	31 December 2016	31 December 2015[1]	30 June 2016
Adjustments for discontinued operations:			
Loss from discontinued operations	179	2	124
Profit on disposal of businesses (net)	–	6	6
Profit on disposal of property, plant and equipment classified as held-for-sale (net)	10	48	57
Fair value adjustment on disposal group classified as held-for-sale	–	–	(44)
Fair value adjustments and net loss on disposal of assets held-for-sale	(79)	–	(26)
Fair value adjustments on investment property	–	3	5
Fair value adjustments on investment property (equity accounted investments)	–	–	13
Impairment of property, plant and equipment (net)	–	(36)	(36)
Taxation effects on adjustments	19	5	(7)
Headline earnings from continuing operations	112	384	723

[1] *Restated for discontinued operations.*

5. GOODWILL

R millions	31 December 2016	31 December 2015	30 June 2016
At the beginning of the year	642	636	636
Additions through business combinations	–	21	21
Foreign exchange movements	(35)	41	29
Transfer to assets classified as held-for-sale	–	–	(44)
	607	698	642

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 2016, no impairment was recorded.

6. CONTRACTS-IN-PROGRESS AND CONTRACT RECEIVABLES

R millions	31 December 2016	31 December 2015	30 June 2016
Contracts-in-progress (cost incurred plus recognised profits, less recognised losses)	2 184	3 194	1 943
Uncertified claims and variations (recognised in terms of IAS 11: Construction Contracts)	945	2 090	2 020
Amounts receivable on contracts (net of impairment provisions)	2 215	3 307	2 241
Retentions receivable (net of impairment provisions)	360	368	275
	5 704	8 959	6 479
Amounts received in excess of work completed	(1 435)	(2 046)	(1 522)
	4 269	6 913	4 957
Disclosed as:			
Amounts due from contract customers – non-current[10]	586	2 661	1 514
Amounts due from contract customers – current	5 118	6 298	4 965
Amounts due to contract customers – current	(1 435)	(2 046)	(1 522)
	4 269	6 913	4 957

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

7. 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 2016	31 December 2015	30 June 2016
Categories of financial instruments			
Financial assets			
Financial assets designated as fair value through profit or loss (level 3)	806	718	811
Loans and receivables	6 105	7 842	6 720
Available-for-sale financial assets carried at fair value (level 1)	–	–	–
Financial liabilities			
Loans and payables	5 563	9 379	6 447
Derivative financial instruments (level 2)[11]	–	–	–

[11] *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.*

7.1 Financial assets designated as fair value through profit or loss

Investment in infrastructure service concession (level 3)[12]			
At the beginning of the year	811	709	709
Realisation of investment	(122)	(54)	(54)
Fair value adjustment recognised in the statement of financial performance	117	63	156
	806	718	811

[12] *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% (2015: 18,5%). 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 are 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 R34 million.*

8. 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 2016	31 December 2015	30 June 2016
Operating lease commitments	1 463	1 913	1 703
Contingent liabilities	2 034	2 226	2 734
Financial institution guarantees	6 410	9 286	8 199

Grayston Pedestrian Bridge Temporary Works Collapse

In November 2015, the Department of Labour instituted a Section 32 Inquiry ("the Inquiry") into the incident to determine the cause or causes for the collapse of the temporary works structure. This is a formal inquiry conducted under the provisions of the Occupational Health and Safety Act, 1993. The Inquiry is due to resume on 27 March 2017.

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.

8. CONTINGENT LIABILITIES (CONTINUED)

Gautrain Water Ingress Dispute

During November 2013, in the dispute between Gauteng Province ("Province") and Bombela Concession Company ("BCC"), the arbitration panel ruled in favour of Province. The Group raised a provision in the 2014 financial year for its share of potential construction costs to be incurred by the Bombela Civils Joint Venture ("BCJV") (Murray & Roberts has a 45% shareholding). The dispute related to the specifications not met by BCJV in the tunnel between Park and Rosebank stations.

In November 2016, BCC (on behalf of BCJV) and Province agreed to a comprehensive settlement of all disputes relating to the development period (construction period) of the Gautrain Rapid Rail Link Project, bringing an end to multi-year protracted legal processes. Due to the extended time, significant costs and uncertain outcomes involved in these legal processes, both parties agreed to conclude an amicable settlement of all development period disputes. In terms of the agreement, Province agreed to pay an upfront amount of R980 million and a further payment over a two-year period of a capped amount of R294 million – these values are inclusive of Value Added Tax and the Group's share in the settlement value is 50 percent. This is a final settlement of all construction-related disputes and in the best interest of all stakeholders.

The settlement includes the following disputes:
- Sandton Station cavern;
- John Vorster and Jean Avenues cantilever bridges in Centurion;
- Delay and Disruption; and
- Water Ingress in the tunnel section between Park Station and Emergency shaft E2.

SANRAL Claims

SANRAL served summons on Murray & Roberts Limited during April 2016 for alleged additional cost and damages incurred given collusive conduct in the period 2005 to 2006 on four road contracts. An amount of R591 million was included in contingent liabilities at June 2016. Following the signing of the Voluntary Rebuild Programme ("VRP") in October 2016, SANRAL has withdrawn its claims of R591 million.

9. DIVIDEND

A gross annual dividend, relating to the 30 June 2016 financial year, of 45 cents per share was declared in August 2016 and paid during the period.

In line with the approved dividend policy, communicated at the release of the Group's FY2015 results on 26 August 2015, the Board will only consider paying an annual dividend.

10. RELATED PARTY TRANSACTIONS

There have been no significant changes to the nature of related party transactions since 30 June 2016 or any transactions outside the normal course of business.

11. EVENTS AFTER REPORTING DATE

The directors are not aware of any matter or circumstance arising after the period ended 31 December 2016, not otherwise dealt with in the Group's interim results, which significantly affects the financial position at 31 December 2016 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 21E 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.

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ADR Code: MURZY
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