

56th Annual General Meeting 27 October 2004

27 October 2004

BUSINESS UPDATE

Order Book

The directors have reviewed the position of the Group at the end of the first quarter and are pleased to note a 20% improvement in the forward order book from R 5,0 billion to R 6,0 billion since 30 June 2004. Based on project revenues for the first quarter of R 1,75 billion, an order inflow of approximately R 2,75 billion is indicated in the period.

Two high-rise building projects in the Middle East, two underground mining projects in Canada and South Africa and sundry building and mining-related projects in South Africa and the rest of SADC form the bulk of this improvement. But order book erosion is evident in the infrastructure and engineering construction sectors. The Bureau for Economic Research (BER) Confidence Index for these sectors has recorded a strong upward trend over the past quarter and we expect this to reflect through into new orders within six months.

The order book includes R 750 million of revenues on long-term contracts for which provisions were raised in previous years against future losses. This includes San Stefano in Egypt, the ADNOC head office in Abu Dhabi and a road contract in Benin. These projects will be cleared by financial year-end and continue to receive high-level executive attention.

Consani continues to trade at break-even with the strength of the SA currency severely impacting its sustainable business model. The general construction economy in South Africa remains buoyant offering consistent opportunity to the Group's construction materials and services businesses.

Acquisitions & Disposals

Disposal of the Group's 44% shareholding in Unitrans Limited is on schedule, subject only to competition authority approval. Headline earnings will be diluted through the sale of Unitrans, although the effect on attributable earnings, cash and net asset value will be positive.

The requisite majority of ordinary and preference shareholders in The Cementation Company Africa Limited approved the delisting of both forms of security from the JSE Securities Exchange South Africa (JSE). Holders of approximately 3% of ordinary shares and 30% of preference shares have yet to accept the Group's offer for their shares.

South African regulatory conditions have been satisfied in respect of the Group's proposed acquisition of a stake in Clough Limited. The transaction remains subject to Australian regulatory conditions and approval by ordinary shareholders in Clough Limited and the Notice of Meeting and Explanatory Memorandum was circulated on schedule for the company's annual general meeting on 10 November 2004. Details are available at www.Clough.com.au

Conditions precedent to the sale of Booker Tate were satisfied by 30 September 2004 and the transaction has been concluded with local sugar group TSB.

Appointments

The board of Murray & Roberts is pleased to announce that Mr Sean Flanagan will be appointed an executive director of the Group and Ms Sandi Linford as Company Secretary with effect from 1 November 2004.

Sean Flanagan joins the corporate leadership team with executive responsibility for the Group's construction, mining and development activities in South Africa and the rest of SADC. Sean joined Murray & Roberts in 1991 in the Group's property development division, becoming managing director of its Gauteng business unit before his appointment as managing director of Murray & Roberts Engineering Solutions in 1997. He has played a key leadership role in the delivery of the Mozal and Hillside aluminium smelters and for the past six months has led the process of integrating Cementation into the Group.

Sean's proven leadership skills in project development and implementation are now available to a broader spectrum of the Group's business activity and together with Keith Smith, the Group's primary business activities in the southern Africa region

are now under focused executive leadership. The Group Chief Executive is consequently released to focus on the challenges associated with Globalising Murray & Roberts.

Sandi Linford has many years experience as company secretary in some leading companies listed on the JSE and will enhance the capacity of the Group as a member of the corporate executive leadership team.

Mr Malose Chaba has been appointed a director of Murray & Roberts Limited and member of the group executive committee with effect from 1 November 2004. Malose joined the Group in May 2004 as managing director of Murray & Roberts Engineering Solutions. He has executive responsibility in Murray & Roberts for the Gautrain proposal process and is developing new market opportunities associated with the energy sector.

Since publication of the annual report, Mrs Vanida Lennon joined the Murray & Roberts leadership team with executive responsibility for sustainability management. Vanida, a lawyer by profession, will fulfil the executive responsibility required of the Group's Health Safety Environment and Corporate Social Involvement (HSEC) Committee under chairmanship of newly appointed independent director, Mr Michael McMahon.

Empowerment

The Group continues to engage its preferred model for broad-based empowerment of its South African and regional construction and mining activities. Negotiations have advanced and an announcement will be made only once all conditions required by the various parties concerned have been satisfied.

Prospects

The Group remains in contention for a share of various large projects planned for South Africa and the Middle East. Both these regions show signs that current levels of general investment into their construction economies will continue and possibly increase, although some pressure is being experienced with the supply of skills and materials. The Group is confident that the current demand for development of the human habitat and built environment in its chosen markets will be maintained for the foreseeable future.

The directors maintain their expectation that headline earnings for the year to 30 June 2005 will not show a material change while the Group reorganises itself to meet the objectives of Globalising Murray & Roberts.

Johannesburg
27 October 2004

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