



MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ADR Code: MURZY

ISIN: ZAE000073441

(“Murray & Roberts” or “Group”)

67th ANNUAL GENERAL MEETING: BUSINESS UPDATE

The Group issued its 2015 Annual Integrated Report to stakeholders on 07 October 2015. Full details of the Group’s financial results and Annual Integrated Report have been published on the website www.murrob.com.

GRAYSTON PEDESTRIAN BRIDGE TEMPORARY SUPPORT STRUCTURE COLLAPSE

Stakeholders are referred to the statements released on the Stock Exchange News Service on 15 October 2015 and 20 October 2015 respectively, and also the market update call held on 22 October 2015, of which the transcript is available on our website www.murrob.com.

On behalf of the board of directors of Murray & Roberts, we would like to once again reiterate our heartfelt condolences to the bereaved and offer sincere sympathy to those injured. At the time of this announcement, 18 of the 19 injured persons have been discharged from hospital, and the remaining injured person is in a stable condition. One of the discharged persons is engaged in a rehabilitation programme, and will hopefully make a speedy and full recovery.

The Department of Labour (“DoL”) is responsible for the official investigation into this incident. It also hosted a press briefing on 28 October 2015, the details of which are available on their website <http://www.labour.gov.za/DOL>.

As confirmed by the DoL, we do not have any confirmed information on the cause or causes of the incident to report on at this early stage. We also do not want to speculate on possible causes. The investigation process must run its course to establish what led to this tragic incident. The findings will be released by the DoL on conclusion of the inquiry.

FINANCIAL PERFORMANCE

For the previous financial year ended 30 June 2015, the Group reported revenue from continuing operations of R30,6 billion (June 2014: R36 billion) and attributable profit of R881 million (June 2014: R1,261 billion, which included R423 million from discontinued operations). Diluted headline earnings per share from continuing operations was 201 cents (June 2014: 205 cents).

The Group ended the financial year with a net cash balance (net of interest bearing debt) of R1,4 billion (June 2014: R1,8 billion). The reduction was mainly due to advance payments on projects not being replaced and funding for the Group's bolt-on acquisitions. It is expected that the net cash position will decline further, primarily due to an increase in working capital.

The Group's order book at 30 September 2015 was R36,8 billion (June 2015: R38,3 billion) and near orders was R9,2 billion (June 2015: R7,9 billion).

UPDATE ON BUSINESS PLATFORMS

OIL & GAS

This platform will continue to focus on expanding its Engineering, Procurement and Construction services to new growth regions, particularly North America and Africa. The Commissioning and Brownfields division will target the developing Australian brownfields market, which is expected to grow up to US\$5 billion per annum in the medium to long term, as the new Liquefied Natural Gas ("LNG") production facilities become operational. This presents significant opportunity in the Australasian LNG commissioning, operations and maintenance market. Clough has the largest share of the Australasian commissioning market. In the medium to long term, it is expected that new LNG project opportunities in the United States, Africa and Papua New Guinea will present attractive growth potential.

The short-term future of the oil and gas market remains uncertain due to the low oil price. Investment decisions are being deferred and margins are under pressure. Expansion into the government infrastructure sector in Australia presents a major near-term opportunity – this is an alternative income stream to be explored following the rapid slowdown in the Australian LNG construction market.

Clough recently announced the acquisition of Enercore Projects Limited ("Enercore"), a privately owned engineering services company headquartered in Calgary, Canada. Enercore specialises in the provision of Engineering, Procurement and Construction Management services to the Canadian oil and gas sector.

The Oil & Gas platform order book as at 30 September 2015 was R6 billion (June 2015: R8,4 billion) and near orders was R2,2 billion (June 2015: R0,7 billion).

UNDERGROUND MINING

This platform continues to provide infrastructure replacement services on operating mines across all regions. This work historically represented more than 80% of the platform's work. However, prolonged weak demand for commodities and low commodity prices are limiting growth potential.

A slowdown in the Zambian copper belt region is also impacting business in Cementation Africa. Client funding for the Kalagadi Manganese project has been secured and should start with ramp-up early in the new calendar year. A further opportunity with Northam Platinum exists at its Booyendal mine, with potential expansion into Merensky reef mining.

Project opportunities in the United States market are slowing down, but the Canadian market and the Australian gold sector is presenting potential for growth from a low base. The platform is well positioned for major project opportunities including York Potash (UK), Oyu Tolgoi (Mongolia) and substantial scope growth at Freeport (Indonesia).

A commodity cycle upturn is expected in the medium term with a large pipeline of underground mining projects.

The Underground Mining platform order book as at 30 September 2015 was R17,1 billion (June 2015: R16,8 billion) and near orders was R4,8 billion (June 2015: R5,2 billion).

POWER & WATER

The platform is pleased to report that it has been selected as the preferred contractor on the 'George Biomass' project, an Independent Power Producer ("IPP") project, as well as the 'Morupule A' repair and maintenance project in Botswana. These projects are valued at about R300 million each. Medupi and Kusile will continue to provide baseload work for the platform for at least the next four years, although revenue from these projects will be declining every year, due to the projects being completed.

The power sector has seen some increased levels of private investment as government launches tenders for thermal generation IPPs and planned Gas-to-Power programmes. Opportunities include the Illanga solar power project and the Duvha boiler rebuild project. Opportunities exist in the maintenance and refurbishment of older Eskom thermal power stations, but engagement has been slow and difficult to realise.

Murray & Roberts Water's integration with Aquamarine is complete. Aquamarine's modular or containerised water treatment systems are being offered into the rest of Africa, using Aquamarine's network and Murray & Roberts Water's engineering and project integration skills.

The Power & Water platform order book as at 30 September 2015 was R6,7 billion (June 2015: R6 billion) and near orders was R0,3 billion (June 2015: No near orders).

INFRASTRUCTURE & BUILDING

The platform is largely dependent on opportunities in South Africa, and meaningful growth is subject to increased government and private sector investment in fixed capital formation.

The buildings market is the only market currently presenting opportunity for larger contractors, but it is slowing down. To mitigate against the risk of low margins in a soft construction market, the platform is pursuing project development opportunities, through participation in select property developments, in and outside South Africa. These include participation as a co-developer of two Gauteng-based residential building developments with an expected combined project value of about R1,5 billion, and building developments in the rest of Africa in partnership with a South African blue chip financial services firm.

Activity in the South African civils market is slowing, whilst there is hardly any opportunity in opencast mining.

The Infrastructure & Building platform order book as at 30 September 2015 was R7 billion (June 2015: R7,1 billion) and near orders was R1,9 billion (June 2015: R2 billion).

UPDATE ON THE GROUP'S MAJOR CLAIM PROCESSES

There have been no material developments on any of the Group's major claims, for or against, since the publication of the Group's annual financial results on 26 August 2015.

Total uncertified revenue at end-June 2015, largely represented by the Group's outstanding major claims on Gautrain and Dubai International Airport, stands at R2,2 billion (June 2014: R1,6 billion). As at the end of September 2015, the uncertified revenue remained largely unchanged. The Group remains committed to resolving these matters speedily and will update the market accordingly.

PROSPECTS AND OUTLOOK

Considering the weak global economy and difficult trading conditions, the Group expects a decline in earnings for FY2016, when compared to FY2015.

The Group is continuing to implement its New Strategic Future plan, despite the current trading conditions. However, the natural resources market sectors are cyclical and the Group is well positioned for the upturn.

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

Bedfordview
05 November 2015

Sponsor
Deutsche Securities (SA) Proprietary Limited