Murray & Roberts

ENGINEERED EXCELLENCE

ANNUAL INTEGRATED REPORT 2015

ABOUT THIS REPORT

We are pleased to present our annual integrated report for the year ended 30 June 2015. Our integrated report covers the governance, strategy, performance and prospects of the Group. It is aimed primarily at providers of financial capital and our employees and business partners, although it is likely to be of interest to many of our other stakeholders.

We continue to improve our integrated reporting, in line with our strategic focus on *Engineered Excellence*. Our 2013 integrated report was included in the "excellent" category of the 2014 EY Excellence in Integrated Reporting awards. However, our 2014 report did not feature in the awards as Murray & Roberts did not meet the market capitalisation participation criteria. The Group was awarded best investor relations reporting in the Industrials Sector for 2014 by the Investment Analyst Society of South Africa.

In relation to the Group's key value drivers, the executive team re-evaluated the Group's material issues in relation to its operating environment and strategy. Murray & Roberts defines material issues as those issues that substantively affect its ability to sustain its strategic, operational and financial performance, and those that are most likely to affect an assessment of the Group's ability to create value over time. The material issues are comprehensively discussed throughout the report.

pg 04 // the Group's material issues

The Group Sustainability Framework guides our approach to sustainable performance by setting inter-related objectives concerning stakeholders (and how their views inform strategic and operational decision-making), risk (in relation to opportunity), best practice corporate governance, sustainable value creation, and managing our impacts according to the principle of Zero Harm and the precautionary principle, which requires a cautious approach to any activity that could potentially harm the health of our employees, communities or the environment. These objectives form the basis for integrated reporting at Murray & Roberts, the outcomes of which link back to our stakeholders and complete the cycle of accountability and inclusivity that ultimately underpins our sustainability.

www.murrob.com // Group Sustainability Framework and stakeholder engagement

pg 14 // our stakeholders, the nature of our relationships with them and their top 10 concerns

In line with the principle of conciseness, we have further rationalised the content provided in our printed report to provide information most material to our intended audiences for the report. As with our previous report, we have provided condensed financials in our printed report, with the full annual financial statements, accounting policies and notes to the annual financial statements available online. Additional information available online includes supplementary sustainability-related reports, the Board committee reports and record of attendance, and the analysis of shareholders. The most material sustainability information, as determined by the respective business platform chief executives, has been included in the business platform reviews. A detailed breakdown of supplementary online information is available in the content index alongside. A glossary of terms is available on page 118 of this report.

www.murrob.com // supplementary financial and performance information

The information included in this integrated report is provided in accordance with International Financial Reporting Standards ("IFRS"), the South African Companies Act 2008, the JSE Listings Requirements, as well as the King Code of Governance Principles 2009 ("King III"). The Group complies with all 75 principles of King III. We have taken cognisance of the International Integrated Reporting Council's Integrated Reporting Framework ("IR Framework"), published in December 2013, and subsequently adopted by the JSE Limited. We will continue to enhance our integrated reporting with reference to the IR Framework in the years ahead. We have used the Global Reporting Initiative ("GRI") G3.1 guidelines in preparing our integrated report (in print and online), at a B+ application level.

www.murrob.com // GRI content index

The Group is moving to a combined assurance model for the integrated report. Our external auditors, Deloitte & Touche, have audited the annual financial statements and provided limited assurance over selected key non-financial performance indicators. Accredited rating agency, EmpowerLogic, has verified the Group's Broad-based Black Economic Empowerment ("BBBEE") rating and scorecard.

We hope that this integrated report will provide the basis for meaningful engagement with our stakeholders in the year ahead and we welcome your feedback.

www.murrob.com // assurance statement

pg 116 // investor relations and media enquiries

APPROVAL

The audit & sustainability committee, responsible for overseeing the preparation and presentation of the annual integrated report and ensuring its integrity, recommended it for Board approval, obtained on 26 August 2015.

pg 97 // audit & sustainability committee report

pg 119 // important information on forward-looking statements

PRINTED REPORT

GROUP OVERVIEW

LEADERSHIP REVIEW

BUSINESS PLATFORM REVIEWS

GOVERNANCE, RISK & REMUNERATION REPORTS

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

SHAREHOLDERS' INFORMATION

SUPPLEMENTARY INFORMATION ONLINE

In addition to the information provided in this report, our online report provides the following supplementary information:

SUSTAINABILITY REVIEW

GOVERNANCE

ANNUAL FINANCIAL STATEMENTS

FEEDBACK
We welcome feedback on our reporting.
To provide feedback or to order copies of this report, please contact us at **ed.jardim@murrob.com**

> "THE GROUP'S STRATEGY IS INFORMED BY OUR PURPOSE, WHICH COMMITS US TO A SUSTAINABLE APPROACH, AND OUR VISION FOR 2020, WHICH SETS OUT THE LEADERSHIP POSITION WE ASPIRE TO IN OUR CHOSEN MARKET SECTORS."

01

GROUP OVERVIEW

MATERIAL ISSUES

THE EXECUTIVE TEAM RE-ASSESSED THE MATERIAL ISSUES THAT SUBSTANTIVELY AFFECT THE GROUP'S ABILITY TO SUSTAIN ITS STRATEGIC, OPERATIONAL AND FINANCIAL PERFORMANCE. THEY WERE THEN DEBATED AND CONFIRMED BY THE BOARD.

THIS PROCESS WAS INFORMED BY THE OBJECTIVES AND PRIORITIES OF THE GROUP'S STRATEGIC PLAN, AND THE INTEGRATED PERFORMANCE DIMENSIONS THAT EXECUTIVE LEADERSHIP HAS DEFINED TO ENABLE THE GROUP TO ACHIEVE ITS VISION BY 2020. THE MATERIAL ISSUES, WHICH ARE ADDRESSED COMPREHENSIVELY IN THE INTEGRATED REPORT, ARE NOT RANKED IN ORDER OF IMPORTANCE GIVEN THEIR INTER-DEPENDENCE, WHICH IS INDICATED IN THE DISCUSSION BELOW.

MAINTAINING A STRONG FINANCIAL AND COMPETITIVE POSITION

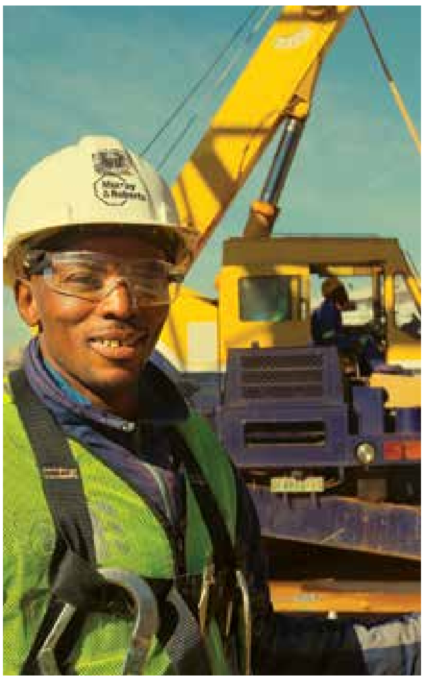
Our balance sheet is sound, and cash from the settlement of legacy claims could significantly strengthen our financial position, enabling us to accelerate the full implementation of our strategy. The current decline in our markets has affected earnings, with the most material impact being the drop-off in activity in the oil and gas sector. Strong growth in the underground mining sector during the year only partially offset this impact. Margins across our South African operations were also eroded by a difficult labour environment, weak market conditions and strong competition. Furthermore, the cancellation and deferral of projects across some of our business platforms, due to increasingly difficult economic conditions, impacted the quality and size of the Group's order book, which is material to our future performance. Order book quality is a function of geographic, market sector and project value-chain diversity, as well as the embedded risk, margin and commercial terms in the projects we secure. The Group's reputation as a leading contractor is fundamental to securing a strong order book, especially in a difficult market, to drive profitability in the short to medium term.

IMPROVING PROJECT RISK MANAGEMENT TO DRIVE PROFITABILITY

Risk enters the Group through the projects we secure, but more so when changes occur on a project during the execution phase. To ensure that the projects we secure are within our risk tolerance, we rigorously identify and assess prospect risk before a project is tendered. This includes applying past lessons learnt and approved contracting principles, which are crucial to order book quality and limiting project losses. The Group's focus on *Engineered Excellence* supports our drive for good commercial and project risk management to achieve at least tendered margins and minimise loss-making projects. Although project losses have declined substantially over the past four years, they still had an impact on the Group's profitability in FY2015. These projects also cause significant internal disruption and divert management's attention away from strategic execution, and claims arising from contractual disputes require considerable time and money to pursue. Additionally, commercial and project risk management excellence establishes a competitive advantage, which leads to repeat business. It also creates potential for the Group to do more work for the same client in different geographic markets and segments of the project value chain.

ACHIEVING INDUSTRY-LEADING HEALTH AND SAFETY STANDARDS

The health and safety of our employees and subcontractors is a moral and strategic imperative for the Group and we commit to providing a work environment in which the risk of harm is minimised. Our safety record is also of critical importance to our clients. A poor health and safety performance negatively affects our reputation and may lead to disqualification from tender processes. Continuing to improve our safety performance and maintaining industry-leading safety standards are therefore fundamental to our business and serve as a differentiator among competitors. Safety also forms part of our reputation as an employer of choice, which enables us to attract and retain the talent we need to deliver our strategy. We believe that Zero Harm is possible.



ACCELERATING TRANSFORMATION IN OUR SOUTH AFRICAN OPERATIONS

Building sustainable industries against the backdrop of the country's transformation imperatives is a complex process. Meaningful socio-economic transformation is essential to the future viability of South Africa, especially in relation to the level of social and economic inequality that still persists. The Group seeks to comply with transformation requirements from moral, social and commercial perspectives, and understands that an acceleration in our employment equity performance in particular is required. However, we have encountered difficulty in our employment equity performance given the low growth in and consequential rationalisation of our South African businesses which have led to lower employment levels. The Group is a Level 2 contributor in terms of the Construction Sector Code, although the harmonisation of the newly introduced Generic Codes for Broad-based Black Economic Empowerment and the Construction Sector Code will result in a re-basing of the industry's contribution levels. Accordingly, we are reformulating our plans to address the priority elements of the BBBEE scorecard (management control, employment equity, skills development, and enterprise and supplier development) to achieve our transformation targets.

MAINTAINING ETHICAL BUSINESS PRACTICES

Ethical business practices and upholding our corporate values is of great importance to all the Group's operations. Unethical practices undermine the Group's reputation and impact our ability to win work. In addition, legal action due to such unacceptable practices may have a dire financial impact on the Group through the imposition of fines and penalties. The Group mitigates the risk of unethical behaviour through its Code of Conduct, internal audit, the oversight of a full-time compliance officer and an anonymous fraud reporting and investigating function. The Group's leadership also continues to engage with management and employees on the importance of ethical behaviour in relation to the Group's reputation and future success, and on compliance with the regulatory frameworks applicable in the sectors, jurisdictions and territories in which they operate.

MANAGING THE PRODUCTIVITY, PERFORMANCE AND SUCCESSION OF OUR PEOPLE

The capability and capacity of our employees are fundamental to achieving our strategic objectives. Attracting and retaining talented and skilled people is therefore key to achieving *Engineered Excellence*. Talent identification and development and succession planning are a strategic priority for the Group. Our performance management system ensures accountability for team and individual objectives, and aligns these to our vision and strategy by clarifying expectations and setting targets. It also assists with identifying development needs that we aim to address. Despite the implementation of our Employee Relations Framework, the volatile South African labour environment remains a concern, particularly in the power and mining sectors.

EXECUTION OF STRATEGY IN A DIFFICULT ENVIRONMENT

Our strategy, the *New Strategic Future,* focuses the Group's core engineering and construction competencies on the global natural resources market sectors. Despite the clear socio-economic fundamentals that underpin long-term demand growth for these sectors, demand is cyclical. Prevailing depressed global economic conditions and weak demand for commodities, together with low commodity prices (and specifically the recent slump in the oil price), have negatively impacted the Group's short- to medium-term prospects. The Group's outlook is strongly correlated to these macro-economic factors. It is further inhibited by negative sentiment about the prospects of the South African construction sector, as well as uncertainty about the recovery of the uncertified revenue previously taken to account in relation to the Gautrain and Dubai International Airport claims. We remain convinced of the relevance of our strategy, notwithstanding the challenges in our operating environment.

CREATING SUSTAINABLE VALUE

MURRAY & ROBERTS CREATES VALUE FOR THE SOCIETIES IN WHICH WE OPERATE BY DELIVERING INFRASTRUCTURE, IN A SUSTAINABLE WAY, THAT ENABLES ECONOMIC AND SOCIAL DEVELOPMENT.

INPUTS

MURRAY & ROBERTS CREATES VALUE BY SECURING AND/OR DEVELOPING THE TANGIBLE AND INTANGIBLE CAPITAL INPUTS REQUIRED FOR OUR CORE BUSINESS ACTIVITIES.

HUMAN

- Leadership
- Bursars, graduates and experienced employees
- JV partner, service provider and subcontractor employees

MANUFACTURED

- Raw materials
- Construction products
- Construction parts
- Plant and equipment

FINANCIAL

- Shareholders' equity
- Debt funding
- Client payments
- Guarantee facilities

INTELLECTUAL

- Client design
- Client schedule
- Client socio-economic plans
- Client operations plans
- Client environmental plans
- Subcontractor project execution plans

SOCIAL AND RELATIONSHIP

- Client relationships
- Employee and union relationships
- Shareholder and investment community relationships
- Financial institution relationships
- JV partner, service provider/ supplier/subcontractor relationships
- Government and regulator relationships
- Community relationships

NATURAL

- Air
- Water
- Client's land

BUSINESS ACTIVITIES

SUSTAINABLE VALUE IS CREATED THROUGH THE DELIVERY OF EFFECTIVE CORE ACTIVITIES, SUPPORTED BY EFFICIENT ENABLING BUSINESS ACTIVITIES.

CORE ACTIVITIES

- Marketing
- Pipeline development
- Project execution
- Project completion

ENABLING ACTIVITIES

- Strategic and business planning
- Integrated risk management
- Commercial and legal management
- Safety, health, environment and quality management
- Human resources management
- Procurement, enterprise development and subcontractor management
- Financial and capital management
- Community development
- Stakeholder and communications management
- IT and information management

THIS STATEMENT OF PURPOSE INDICATES OUR APPROACH TO BUSINESS, WHICH REQUIRES THAT WE GROW RESPONSIBLY AND BALANCE THE INTERESTS OF OUR STAKEHOLDERS OVER TIME, TO ENSURE OUR SUCCESS OVER THE LONG TERM. OUR VALUE CREATION FRAMEWORK IS ARTICULATED IN THE CONTEXT OF THE SIX CAPITALS OUTLINED IN THE IR FRAMEWORK.

OUTPUTS

THE OUTPUTS OF MURRAY & ROBERTS' BUSINESS ACTIVITIES ARE ITS PRODUCTS AND SERVICES WHICH ULTIMATELY RESULT IN FIXED CAPITAL ASSET FORMATION AND VARIOUS BY-PRODUCTS.

PRODUCTS & SERVICES

- Feasibility studies
- Detailed designs
- Fixed capital assets
- As built drawings

BY-PRODUCTS

- Noise
- Dust
- Carbon emissions
- Waste water
- Solid waste
- Hazardous waste

OUTCOMES

THE KEY OUTCOME OF MURRAY & ROBERTS' BUSINESS ACTIVITIES IS ECONOMIC AND SOCIAL DEVELOPMENT OF THE COMMUNITIES WITHIN WHICH WE OPERATE, AS A RESULT OF OUR BUSINESS ACTIVITIES AND OUTPUTS.

HUMAN

- Effective leadership
- Educated, trained and developed bursars, graduates and experienced employees
- Trained and developed JV partner, service provider and subcontractor employees

MANUFACTURED

- Socio-economic infrastructure

FINANCIAL

- Dividends
- Interest
- Retained earnings
- Payroll payments
- Taxation
- Service provider/supplier/ subcontractor payments

INTELLECTUAL

- Engineering and construction experience and knowledge
- Constructability knowledge
- HSE, risk and people management knowledge
- Project close-out and closed loop reports
- Socio-economic development reports

SOCIAL AND RELATIONSHIP

- Sound relationships with clients, employees, shareholders and investment communities, financial institutions, JV partners, service providers/suppliers/ subcontractors, unions, government, regulators and communities
- Murray & Roberts brand and reputation
- Socio-economic development, efficient logistics, cost effective energy and power, mineral extraction and beneficiation, improved health and education, improved quality of life from quality water supply and accommodation

NATURAL

- Clean air
- Responsible water use
- Efficient use of client's land

ENGINEERED EXCELLENCE

UNDERPINNING THE GROUP'S STRATEGY, THE *NEW STRATEGIC FUTURE*, IS THE CONCEPT OF *ENGINEERED EXCELLENCE*, OUR GUIDING PRINCIPLE IN EVERYTHING WE UNDERTAKE. It commits us to strive for excellence through detailed planning and faultless execution, and is especially important in ensuring we continue to advance our strategy and drive our performance in the current difficult operating conditions. It informs the strengthening of our relationships with clients, operating excellently to preserve our margins and minimise project losses, deepening our competitive advantages by developing our people and improving our safety record, or ensuring continued cost containment in the face of constrained revenues. At the heart of this guiding principle is the commitment to creating long-term shareholder value at all levels of the Group.

The Group's strategy is informed by our purpose, which commits us to a sustainable approach, and our vision for 2020, which sets out the leadership position we aspire to in our chosen market sectors. The following pages review each of the performance dimensions defined to ensure we realise our vision, outlining our progress in becoming a focused international engineering and construction firm known for excellence.

pg 28 // Group chief executive's and financial director's report

A GROUP OF WORLD-CLASS COMPANIES AND BRANDS ALIGNED TO THE SAME PURPOSE AND VISION, AND GUIDED BY THE SAME SET OF VALUES WITH A COMMON OWNER,
MURRAY & ROBERTS HOLDINGS LIMITED

STOP.THINK.ACT.24/7: SAFETY FIRST IN EVERYTHING WE DO

OIL & GAS	**UNDERGROUND MINING**	**POWER & WATER**	**INFRASTRUCTURE & BUILDING**

VALUES INTEGRITY • RESPECT • CARE • ACCOUNTABILITY • COMMITMENT

PURPOSE DELIVERY OF INFRASTRUCTURE IN A SUSTAINABLE WAY TO FACILITATE ECONOMIC AND SOCIAL DEVELOPMENT

VISION BY 2020 WE AIM TO BE A LEADING INTERNATIONAL DIVERSIFIED PROJECT ENGINEERING, PROCUREMENT AND CONSTRUCTION GROUP IN SELECTED NATURAL RESOURCES AND SUPPORTING INFRASTRUCTURE SECTORS

ENGINEERED EXCELLENCE

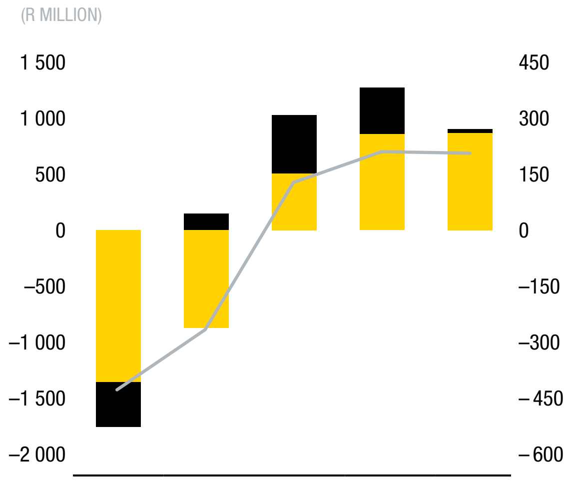
FINANCIAL PERFORMANCE DIMENSION

REVENUE*	HEPS (Diluted continuing)	ATTRIBUTABLE EARNINGS*	NET CASH*
R30,6 billion	**201** cents	**R881** million	**R1,4** billion
R36 billion (FY14)	**205** cents (FY14)	**R1 261** million (FY14)	**R1,8** billion (FY14)
* The reduction is mainly due to subdued markets, primarily in the oil and gas sector.		* The FY2014 earnings included R422 million profit (trading and disposal), which was not repeated in FY2015.	* The reduction is mainly due to the repayment of advance payments and acquisition funding.

PROFITABILITY WAS LOWER DUE TO SUBDUED MARKET CONDITIONS DURING THE YEAR, PRIMARILY IN THE OIL & GAS BUSINESS PLATFORM, AND PROJECT UNDERPERFORMANCE MAINLY IN THE POWER & WATER BUSINESS PLATFORM.

ATTRIBUTABLE EARNINGS AND DILUTED CONTINUING HEPS

- **DISPOSAL OF NON-CORE BUSINESSES** largely completed and previously discontinued operations will not have a material impact on future reporting.
- **REVENUE WAS LOWER** due to delayed contract awards across all platforms and some project cancellations in the oil and gas sector.
- **EBIT WAS DOWN** due to lower revenue and the impact of loss-making contracts, resulting in a lower ROICE.
- **EFFECTIVE TAXATION RATE** decreased due to utilisation of tax losses.



	2011	2012	2013	2014	**2015**
Discontinued and abnormal items (Rm)	(388)	137	516	422	**22**
From continuing operations (Rm)	(1 347)	(873)	488	839	**859**
Diluted continuing HEPS	(428)	(268)	123	205	**201**

pg 28 // Group chief executive's and financial director's report

NAV	ORDER BOOK*	DIVIDEND	HEALTH & SAFETY
R15 p/share	**R38,3** billion	**50** cents	**0.79** LTIFR
R13 p/share (FY14)	**R40,9** billion (FY14)	**50** cents (FY14)	**0.80** (FY14)

* The reduction is mainly due to a decrease in the Oil & Gas business platform order book.

INVESTMENT MARGINS AND ASPIRATIONS

CRITERIA & METHOD	ASPIRATION	FY2015 RESULTS
MARGIN EBIT[1] / REVENUE	5% TO 7,5%	**3,7%** **4%** (FY14)
GROSS GEARING (NET GEARING IS NIL) TOTAL INTEREST BEARING DEBT / ORDINARY SHAREHOLDERS' EQUITY	20% TO 25%	**22,7%** **42%** (FY14)
RETURN ON EQUITY ("ROE") NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS / AVERAGE ORDINARY SHAREHOLDERS' EQUITY	17,5% THROUGH CYCLE	**14,2%** **19%** (FY14)
RETURN ON INVESTED CAPITAL EMPLOYED ("ROICE") (TAXED EBIT + INCOME FROM ASSOCIATES) / TOTAL CAPITAL EMPLOYED[2]	WACC[3] (12,7%) PLUS 3% TO 4%	**12,7%** **22%** (FY14)
FREE CASH FLOW PER SHARE ("FCFPS") OPERATING CASH FLOW – CAPEX[4] + PROCEEDS ON DISPOSAL OF PPE / NUMBER OF SHARES	CASH POSITIVE	**Cash positive** (FY14)
RETURN ON NET ASSETS ("RONA") TAXED EBIT + INCOME FROM ASSOCIATES / TOTAL NET ASSETS (EXCL. TAX AND CASH)	18% AFTER TAX EBIT	**25,3%** **77%** (FY14)
TOTAL SHAREHOLDERS' RETURN ("TSR") (INCREASE IN SHARE PRICE YEAR ON YEAR + DIVIDEND PER SHARE) / SHARE PRICE (PY)	RELATIVE TO PEERS	**Below average**

1 Earnings before interest and tax. 2 Total capital employed = total equity + interest bearing debt – assets held-for-sale – cash + advance payments. 3 Weighted average cost of capital. 4 Capital expenditure.

ENGINEERED EXCELLENCE

LEADERSHIP PERFORMANCE DIMENSION

STRATEGY OVERVIEW

THE GROUP'S *NEW STRATEGIC FUTURE* DEFINES SPECIFIC OBJECTIVES AND PRIORITIES TO GIVE CLEAR EXPRESSION TO OUR STRATEGIC DIRECTION, WHICH ALIGN WITH THE PERFORMANCE DIMENSIONS AGAINST WHICH EXECUTIVE MANAGEMENT IS MEASURED. THESE OBJECTIVES AND PRIORITIES ARE BEING INTERPRETED AND EXECUTED AT CORPORATE AND BUSINESS PLATFORM LEVEL TO TRANSFORM THE GROUP TO REALISE ITS VISION FOR 2020.

STRATEGIC OBJECTIVE:

01 GROW PROFITABILITY AND CASH FLOWS

PRIORITY
Resolve Gautrain and Dubai Airport claims and Gautrain water ingress

PERFORMANCE AGAINST PRIORITY
- Major claims in process of being resolved.

pg 28 // Group chief executive's and financial director's report

PRIORITY
Enhance EBT, free cash flow and ROICE performance

PERFORMANCE AGAINST PRIORITY
- Difficult trading conditions resulted in EBIT being below budget. Net cash was lower mainly due to the repayment of advance payments, not replaced with new advances. ROICE was negatively influenced by lower EBIT performance.

pg 10 // financial performance overview

02 FOCUS ON INTERNATIONAL NATURAL RESOURCES MARKET SECTORS

PRIORITY
Grow gas (LNG), metals & minerals and power market presences

PERFORMANCE AGAINST PRIORITY
- Acquisition of Booth Welsh and CH-IV support geographic and value chain growth in the oil and gas sector.
- Downturn in Australian LNG market impacted Oil & Gas platform and Group order book.
- Underground Mining platform grew its order book.

pg 28 // Group chief executive's and financial director's report
pg 42 // Oil & Gas business platform report
pg 46 // Underground Mining business platform report

PRIORITY
Enter industrial water market sector

PERFORMANCE AGAINST PRIORITY
- Successful acquisition of Aquamarine.
- Partnership with Hyflux positions the Power & Water platform to participate in larger desalination and mine water treatment projects.

pg 28 // Group chief executive's and financial director's report
pg 50 // Power & Water business platform report

03 DIVERSIFY BUSINESS MODEL INTO HIGHER MARGIN SEGMENTS

PRIORITY
Expand specialist engineering capabilities into all project value chain segments to offer more complete project solutions to clients

PRIORITY
Grow commissioning, brownfield and operation & maintenance capabilities

PRIORITY
Invest in selected project development opportunities

PERFORMANCE AGAINST PRIORITY
- Infrastructure & Building business platform investing in Mooikloof property development.
- Acquisition of oil and gas engineering capabilities through Booth Welsh and CH-IV, and in water through Aquamarine.
- Recruited materials handling engineering experts in Cementation USA.
- Growth in operations and services value chain through e_2o (oil and gas commissioning business) and securing of Booysendal and Kalagadi contract mining projects.

pg 38 to 57 // business platform reports
pg 28 // Group chief executive's and financial director's report

THE GROUP'S STRATEGY IS TO GROW ITS EARNINGS POTENTIAL AND IMPROVE ITS RISK PROFILE ACROSS THREE DIMENSIONS:

- Increase exposure to targeted sectors in the natural resources markets that are underpinned by robust long-term demand fundamentals.
- Establish a presence in regions that show high growth potential in the Group's chosen markets and being flexible to follow clients into new geographies on a per-project basis.
- Reduce dependency on classic construction by growing earnings in other segments of the engineering and construction value chain.

04 DELIVER PROJECT AND COMMERCIAL MANAGEMENT EXCELLENCE

PRIORITY
Enhance EPC and project management capabilities

PERFORMANCE AGAINST PRIORITY
- Acquired engineering firms in Oil & Gas business platform.
- Ongoing investment in project management capabilities and training in South Africa.
- Clough Project Management Academy launched.

pg 42 // Oil & Gas business platform report
pg 28 // Group chief executive's and financial director's report

PRIORITY
Entrench project, risk and commercial management best practice

PERFORMANCE AGAINST PRIORITY
- Project Management Framework needs more rigorous application in some operations.
- Risk management strengthened through enhancements to Group risk management and governance processes.
- Application of Lessons Learnt and Contracting Principles well embedded.

pg 28 // Group chief executive's and financial director's report
pg 64 // risk management report

05 ENHANCE THE SAFETY, PERFORMANCE AND DIVERSITY OF OUR PEOPLE

PRIORITY
Achieve industry-leading HSE performance

PERFORMANCE AGAINST PRIORITY
- Regrettably, the Group experienced four fatalities.
- LTIFR continues to improve, with continued focus on improving lead indicators.

PRIORITY
Enhance leadership capabilities and bench strength

PERFORMANCE AGAINST PRIORITY
- Ongoing investment in developing leadership capability.
- Recruiting suitable talent in South Africa remains challenging.

PRIORITY
Improve employee relations and employee engagement

PERFORMANCE AGAINST PRIORITY
- Limited progress in implementing Employee Relations Framework in South Africa.
- Transformation challenging due to stagnating business environment, however performance against some indicators positive.

pg 28 // Group chief executive's and financial director's report
www.murrob.com // sustainability review

06 ENHANCE SHAREHOLDER VALUE

PRIORITY
Reposition Murray & Roberts and its brand with all stakeholders

PERFORMANCE AGAINST PRIORITY
- Continue to reposition Murray & Roberts as an international Group focused on natural resources market sectors, active in all segments of the engineering and construction project value chain.

PRIORITY
Enhance market valuation and positioning

PERFORMANCE AGAINST PRIORITY
- As the Group implements its *New Strategic Future* plan over the medium term, it will continue to differentiate itself from local peers and provide a compelling investment case.

PRIORITY
Develop attractive dividend policy

PERFORMANCE AGAINST PRIORITY
- Annual dividend payments resumed in FY2014. Policy clarified.

pg 28 // Group chief executive's and financial director's report

ENGINEERED EXCELLENCE

RELATIONSHIP PERFORMANCE DIMENSION

MURRAY & ROBERTS STRIVES TO COMMUNICATE AND ENGAGE OPENLY, EFFECTIVELY AND INCLUSIVELY WITH KEY STAKEHOLDERS.

KEY STAKEHOLDERS

CLIENTS

The impact of challenging conditions on clients has a concomitant impact on the Group's performance, for example the fall in commodity prices or the sharply lower oil price leading to the deferment or cancellation of projects. **THE GROUP'S STRATEGY IS RESPONSIVE TO THESE REALITIES, WITH AN OPERATING MODEL THAT COMPRISES FOUR SPECIALIST CLIENT-CENTRIC BUSINESS PLATFORMS.** In addition, clients are an important conduit for growth outside the Group's established regions, with business platforms following clients on a project-by-project basis.

EMPLOYEES

In the Deloitte Best Company to Work For Survey in South Africa, the Group improved its overall score and was awarded the Deloitte Standard of Excellence, which recognises companies that achieve an overall survey score of 3.7 and higher out of 5. In the Universum talent survey, the Group was ranked sixth in the Engineering category and first in the Construction category, as rated by 40 640 students across 40 universities. Cementation Canada has been recognised six times as one of Canada's Top 100 Employers by Mediacorp, and twice as one of The Financial Post's Ten Best Companies to Work For. **THE SAFETY OF EMPLOYEES AND SUBCONTRACTORS REMAINS A PRIMARY CONSIDERATION IN ALL BUSINESS ACTIVITIES AND MANAGEMENT DECISIONS.**

SHAREHOLDERS & INVESTMENT COMMUNITY

The Group's strategy is ultimately directed at creating shareholder value. The valuation of the Group depends on it repositioning itself as an international group active in all segments of the engineering and project value chain. Engagement with stakeholders on the *New Strategic Future* and the Group's investment case is ongoing. **THE GROUP WON THE INVESTMENT ANALYST SOCIETY AWARD FOR THE BEST INVESTOR RELATIONS REPORTING IN THE INDUSTRIAL SECTOR FOR 2014 CALENDAR YEAR.**

GOVERNMENT & REGULATORS

Governments set the standards to which the Group must comply in the jurisdictions in which its businesses operate, and are also key clients of the Group. In South Africa, the government has expressed concern about the slow pace of transformation in the construction sector. **AN INITIATIVE IS UNDERWAY, THROUGH THE SOUTH AFRICAN FEDERATION OF CIVIL ENGINEERING CONTRACTORS, TO ENGAGE WITH GOVERNMENT IN AN ATTEMPT TO ADDRESS THEIR CONCERNS.**
The Group has also committed to improving its transformation performance. Relations were impacted by the revelation of unethical practices within the industry, however the Group has definitively addressed these legacy issues.

THE TOP TEN STAKEHOLDER CONCERNS, AS CURRENTLY IDENTIFIED BY MANAGEMENT, ARE BEING ADDRESSED THROUGH THE GROUP'S SIX STRATEGIC OBJECTIVES, AND ARE REFLECTED IN THE GROUP'S MATERIAL ISSUES:

01 **Sustainable growth** of the Group's targeted natural resources markets.

02 **Health, safety and productivity** of employees and subcontractors.

03 **Financial performance** of the Group.

04 **Leadership and strategic direction** provided by the Board and senior management.

05 **The reputation and credibility** of the Murray & Roberts brand.

THE GROUP DEFINES ITS KEY STAKEHOLDERS AS GROUPS OR INDIVIDUALS IMPACTED BY ITS OPERATIONS, WITH AN INTEREST IN OR ABILITY TO INFLUENCE ITS ACTIVITIES, IN PROXIMITY TO ITS OPERATIONS OR WHO ARE DEPENDENT ON MURRAY & ROBERTS. BUILDING STRONG, TRUST-BASED RELATIONSHIPS WITH KEY STAKEHOLDERS IS IMPERATIVE TO THE GROUP'S GROWTH AND SUSTAINABILITY.

84% of South African employees rated **MURRAY & ROBERTS AN EMPLOYER OF CHOICE IN THE DELOITTE BEST COMPANY TO WORK FOR SURVEY**

OPERATING COMPANIES

Each business platform is empowered to develop a differentiated service offering based on the specific requirements of clients in their respective market sectors, within the Group's core ambit of engineering and construction. **COLLABORATION BETWEEN BUSINESS PLATFORMS IS ENCOURAGED, INCLUDING SHARING TECHNICAL AND REGIONAL KNOWLEDGE AND SAFETY BEST PRACTICE**. The Group's governance framework in relation to business platforms is being strengthened to support effective oversight.

JOINT-VENTURE PARTNERS, SUPPLIERS & SUBCONTRACTORS

Partnerships and joint ventures enable business platforms to access new segments of the value chain and adds complementary technology capability to the Group's service offerings. **THE GROUP ACTIVELY ENGAGES WITH ITS SUPPLIERS AND SUBCONTRACTORS GIVEN THEIR ROLE IN QUALITY PROJECT EXECUTION AND DELIVERY, AND TO MAINTAIN A STRONG SAFETY RECORD.**

UNIONS

56% of the Group's South African workforce is covered by collective bargaining agreements or trade union membership. **THE GROUP IMPLEMENTED AN EMPLOYEE RELATIONS FRAMEWORK IN AN ATTEMPT TO ADDRESS FACTORS WHICH CONTRIBUTE TO THE RISK OF INDUSTRIAL ACTION IN SOUTH AFRICA.** The Power & Water business platform held numerous meetings with all the major trade unions during the year to mitigate the effects of industrial action.

COMMUNITIES

The Group's business activities impact the communities in which they are undertaken. **THE EMPLOYEE RELATIONS FRAMEWORK REQUIRES EACH BUSINESS PLATFORM TO PUT COMMUNITY ENGAGEMENT PLANS IN PLACE FOR ALL PROJECTS** which has resulted in several projects successfully implementing community-based initiatives. In South Africa, the Group adopted a new community development strategy in FY2015, maintaining its focus on education and skills development.

06 **Transformation and BBBEE.**

07 Compliance with **laws, regulations and standards.**

08 **Remuneration** paid to directors, executives and staff.

09 **Quality, cost and timely delivery** of projects.

10 **Capability and capacity** to deliver the Group's order book.

OPERATIONAL PERFORMANCE DIMENSION

GOOD GOVERNANCE

THE GROUP HAS A WELL-CONSTITUTED AND EFFECTIVE LEADERSHIP STRUCTURE. **THE BOARD CONTINUES TO WORK TOWARDS ACHIEVING AND EXCEEDING THE REQUIREMENTS OF KING III. THE GROUP COMPLIES WITH ALL 75 PRINCIPLES OF KING III**. THE BOARD ENCOURAGES THE EXECUTIVE TEAM TO CONDUCT THE BUSINESS OF THE GROUP WITH PRUDENCE, TRANSPARENCY, INTEGRITY AND ACCOUNTABILITY. WORK IS UNDERWAY TO FURTHER STRENGTHEN AND STREAMLINE THE GROUP'S GOVERNANCE FRAMEWORK IN RELATION TO THE BUSINESS PLATFORMS, TO ENSURE EFFECTIVE GROUP OVERSIGHT.

MURRAY & ROBERTS
HOLDINGS BOARD

INDEPENDENT CHAIRMAN
RELEVANT SKILLS AND EXPERIENCE

MURRAY & ROBERTS
EXECUTIVE COMMITTEE

FUNCTIONAL AND OPERATIONAL LEADERSHIP

HOLDINGS BOARD
COMMITTEES

- AUDIT & SUSTAINABILITY
- HEALTH, SAFETY & ENVIRONMENT
- NOMINATION
- REMUNERATION & HUMAN RESOURCES
- RISK MANAGEMENT
- SOCIAL & ETHICS

INDEPENDENT CHAIRMEN
BALANCE OF INDEPENDENT NON-EXECUTIVE AND EXECUTIVE MEMBERS

**www.murrob.com // ** Board committee reports

COMMERCIAL MANAGEMENT

Project losses have declined over the past four years, however any project loss is unacceptable. The Group continues to support the ability of its people to deliver project management best practice and to strengthen its control systems and commercial management methodology.

GAUTRAIN RAPID RAIL LINK

Gautrain Delay & Disruption Claim – The legal process in this multi-billion rand claim is progressing. Due to the complexity of this arbitration, the initial arbitration hearings were focused on addressing the legal interpretation of various clauses in the Gautrain concession agreement. The Group reported on 8 July 2015 that the first two arbitration rulings (the right to proceed with a claim for additional costs incurred on two cantilever bridges and to an extension of time and compensation due to late handover of land) were largely in favour of the Bombela Concession Company ("BCC"). The legal bases of these claims have now firmly been established. It is important to note that the merit and quantum hearings will only be heard as from the first quarter of calendar year 2016 with financial conclusion only likely the following year. Any award will attract interest dating from 2009 to the date of award.

Gautrain Water Ingress Dispute – In November 2013, in the dispute between Gauteng Province and BCC, the arbitration panel ruled in favour of Gauteng Province. The Company raised a provision of about R300 million in the prior financial year for its share of potential construction costs to be incurred by the Bombela Civils Joint Venture ("BCJV") (Murray & Roberts shareholding of 45%). The extent of any other potential financial impact,

THE GROUP CONTINUES TO SUPPORT THE ABILITY OF ITS PEOPLE TO DELIVER PROJECT MANAGEMENT BEST PRACTICE AND TO STRENGTHEN ITS CONTROL SYSTEMS AND COMMERCIAL MANAGEMENT METHODOLOGY.

BUSINESS PLATFORMS AND OPERATIONS

OIL & GAS

CLOUGH LIMITED IS A WHOLLY OWNED SUBSIDIARY OF THE GROUP AND HAS ITS OWN BOARD AND EXECUTIVE COMMITTEE IN PLACE. THE GROUP CHIEF EXECUTIVE, GROUP FINANCIAL DIRECTOR AND GROUP COMMERCIAL EXECUTIVE ARE NON-EXECUTIVE MEMBERS OF THE CLOUGH BOARD.

BUSINESSES

- BOOTH WELSH
- CH-IV
- CLOUGH
- CMR MARINE
- e_2o

UNDERGROUND MINING*

AS A BUSINESS OPERATING GLOBALLY, BUSINESSES WITHIN THE PLATFORM LEVERAGE EACH OTHERS' CAPABILITY TO ENHANCE THE PLATFORM'S COMPETITIVE POSITION.

BUSINESSES

- CEMENTATION CANADA
- CEMENTATION SUDAMÉRICA
- CEMENTATION USA
- MURRAY & ROBERTS CEMENTATION
- RUC CEMENTATION MINING

POWER & WATER*

PREVIOUSLY ENERGY & INDUSTRIAL, THE POWER & WATER PLATFORM UNDERWENT AN EXTENSIVE RESTRUCTURE IN FY2015. THE MURRAY & ROBERTS RESOURCES & INDUSTRIAL AND MURRAY & ROBERTS ELECTRICAL & CONTROL SYSTEMS BUSINESSES HAVE BEEN CLOSED AND THEIR CAPABILITIES WILL BECOME COMPLEMENTARY OFFERINGS TO THE POWER & WATER BUSINESS PLATFORM.

BUSINESSES

- AQUAMARINE
- GENREC ENGINEERING
- MURRAY & ROBERTS POWER & ENERGY
- MURRAY & ROBERTS WATER

INFRASTRUCTURE & BUILDING*

BUSINESS OPERATIONS ARE SUPPORTED BY SHARED ADMINISTRATION AND PLANT SERVICES (MURRAY & ROBERTS PLANT). RESULTS FROM THE GROUP'S CONCESSION INVESTMENTS (MURRAY & ROBERTS CONCESSIONS) AND THE BOMBELA CIVIL JOINT VENTURE ARE REPORTED UNDER THIS PLATFORM.

BUSINESSES

- MURRAY & ROBERTS CONCESSIONS
- MURRAY & ROBERTS CONSTRUCTION
  - Concor Opencast Mining
  - Murray & Roberts Botswana
  - Murray & Roberts Buildings
  - Murray & Roberts Developments (Newly formed)
  - Murray & Roberts Infrastructure
- MURRAY & ROBERTS MIDDLE EAST
- MURRAY & ROBERTS NAMIBIA
- MURRAY & ROBERTS PLANT
- MURRAY & ROBERTS WESTERN CAPE

if any, related to the matter is yet to be determined. Various matters between the parties, relating to the arbitration award, remain unresolved and will be heard in court. The timing of any future work is uncertain.

Gautrain Sandton Cavern Claim – This claim, on its merits, was ruled in favour of the BCJV in October 2013. The quantum award is expected before the end of calendar year 2015.

GORGON PIONEER MATERIALS OFFLOADING FACILITY

The claim process has been closed out and the final payment was received in October 2014. The certificate for final completion is being issued and the guarantees have been returned.

DUBAI INTERNATIONAL AIRPORT

The arbitration process for the Dubai International Airport claim is ongoing. A process of amicable engagement with the Dubai government is running in parallel with the legal proceedings. The claim is expected to be resolved during the 2016 calendar year.

* The business platform chief executive officer and chief financial officer sit on the boards of each operating company.

pg 28 // Group chief executive's and financial director's report

pg 38 to 57 // business platform reports

RISK PERFORMANCE DIMENSION

THE GROUP CONTINUES TO APPLY LESSONS LEARNT TO DRIVE CONTINUOUS IMPROVEMENT IN ITS APPROACH TO RISK IDENTIFICATION AND MANAGEMENT AT ALL LEVELS. TO IMPROVE PROJECT DELIVERY, THE GROUP'S PROJECT MANAGEMENT FRAMEWORK IS INTEGRATED INTO ITS RISK MANAGEMENT APPROACH.

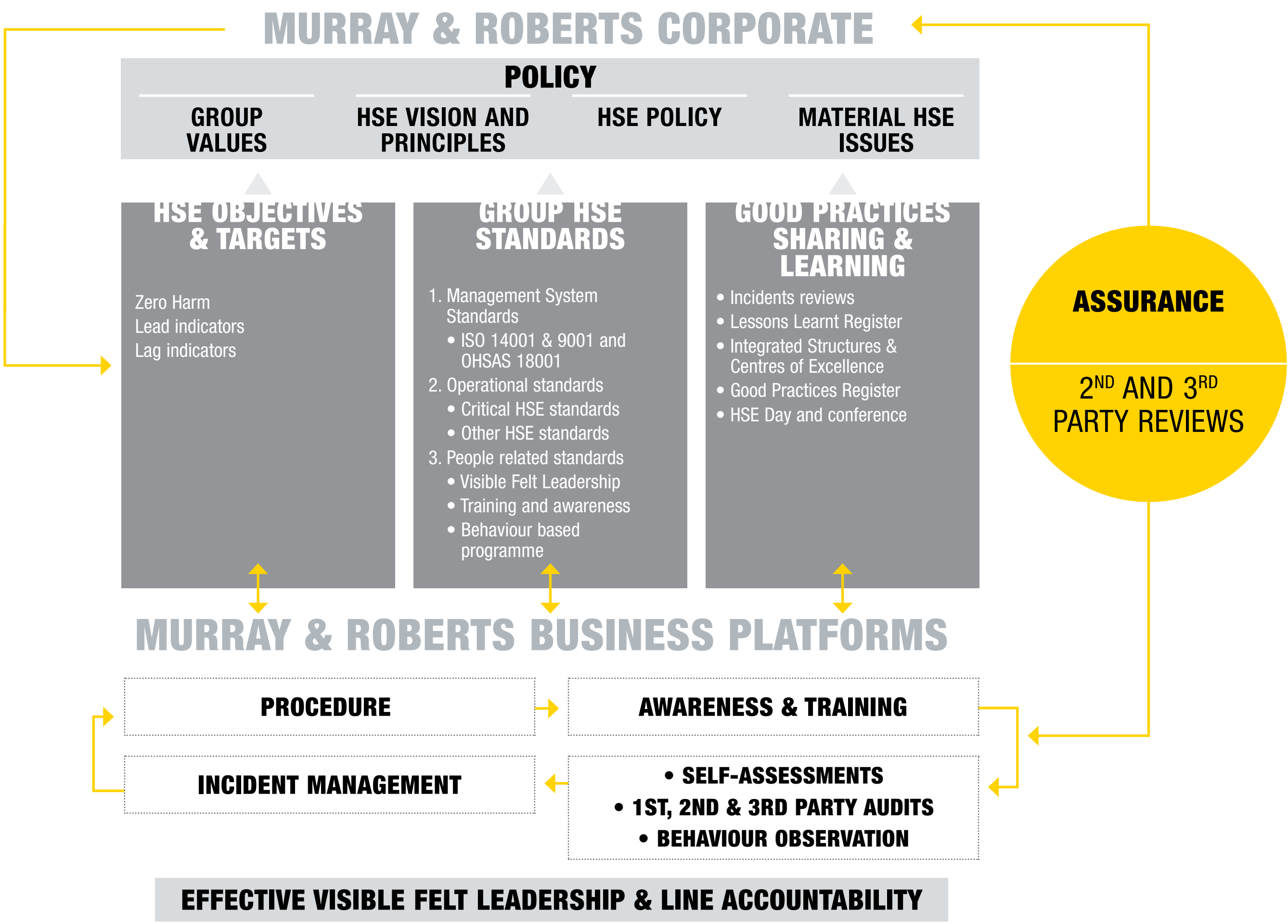
pg 65 // Group Risk Management Framework

HEALTH AND SAFETY

We deeply regret four (FY14: four) fatalities (three employees and one subcontractor) in the year. The Group's LTIFR was maintained at an industry-leading 0.79 (FY14: 0.80).

The Group remains firm in its belief that Zero Harm is possible notwithstanding the challenging environments within which its people operate, and maintains its consistent focus on safety with a specific focus on improving lead indicators across the Group. During the year, the first Group safety conference was held, bringing together more than 60 leaders from across its operations globally to identify key safety focus areas for FY2016. Furthermore, during FY2016 the Group will be implementing a Major Accident Prevention ("MAP") programme to further mitigate fatal risks in its operations.

The Group Health & Safety Framework sets out policies and standards that guide health and safety risk management. Each business has a health and safety improvement plan that prioritises these risks and report their progress regularly.



INTEGRATED ASSURANCE

The Group Integrated Assurance Framework coordinates the Group's overall approach to risk management, including identifying, assessing, addressing, monitoring, communicating and reporting Group risk. It also sets out the process for independently auditing adherence to and implementation of all policies and procedures that ensure the Group achieves the level of operational efficiency and compliance required by the Board.

The three pillars of the Integrated Assurance Framework, as approved and mandated by the Board, are:

- Risk management
- Regulatory compliance
- Internal audit

pg 64 // Group Integrated Assurance Framework

PROJECT MANAGEMENT DEVELOPMENT PROGRAMME

A bespoke Project Management Development programme is in place to train project managers/executives in the discipline of project management. Candidates are appropriately certificated on successful completion of the programme.

Critical to the preparation of bids and successful project delivery is the application of two standards to each bid based on the costly lessons learnt by the Group in the past:

- Group Schedule of Contracting Principles
- Group Schedule of Lessons Learnt

All bids submitted are tested against the above two standards to ensure that the identified risks are correctly addressed.

pg 67 // project management risk

RISK MANAGEMENT PRACTICES

The Group has defined four discrete risk environments, being: Strategic, Corporate, Operational and Project. Each risk has a specific owner, be it a business platform, operating board or an individual executive. The Group has identified 12 key risks and their respective mitigating factors. No Corporate risks have been identified for FY2015.

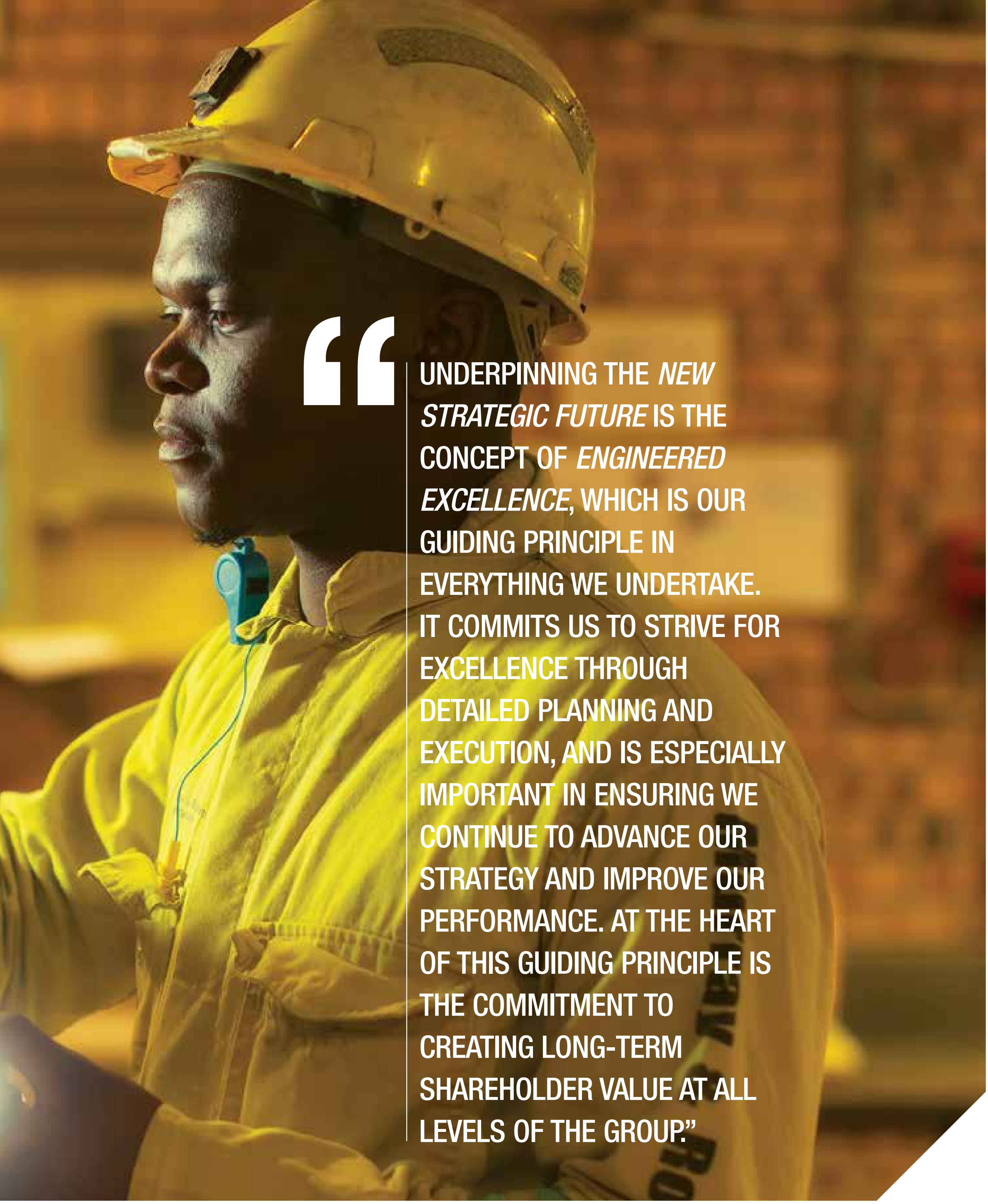
pg 68 // key risks and mitigating factors

ENVIRONMENT

The Group is committed to minimising its environmental footprint and has set various objectives and targets in this regard. As reported in FY2014, the Group developed an Environmental Management Framework, which outlines environmental requirements and lines of accountability at both Group and operational level. All operations are required to implement the ISO 14001 environmental management standard, with 89% of operations holding certification at year end.

02

LEADERSHIP REVIEW



"UNDERPINNING THE *NEW STRATEGIC FUTURE* IS THE CONCEPT OF *ENGINEERED EXCELLENCE*, WHICH IS OUR GUIDING PRINCIPLE IN EVERYTHING WE UNDERTAKE. IT COMMITS US TO STRIVE FOR EXCELLENCE THROUGH DETAILED PLANNING AND EXECUTION, AND IS ESPECIALLY IMPORTANT IN ENSURING WE CONTINUE TO ADVANCE OUR STRATEGY AND IMPROVE OUR PERFORMANCE. AT THE HEART OF THIS GUIDING PRINCIPLE IS THE COMMITMENT TO CREATING LONG-TERM SHAREHOLDER VALUE AT ALL LEVELS OF THE GROUP."

CHAIRMAN'S STATEMENT

DEAR STAKEHOLDER

Murray & Roberts is an international engineering and construction group and undertakes project work in many regions of the world. The Group continues to implement its growth strategy, the *New Strategic Future*, approved by the Board in June 2014.

The strategy is focused on bringing the Group's competencies of engineering and construction to bear in the natural resources sectors. It is aimed at diversifying the Group's earnings potential and risk profile across three dimensions. The first is to increase its exposure to targeted sectors in the natural resources markets that promise robust long-term demand. The second is to establish a presence in the regions that show the highest growth potential in these chosen markets. The third is to reduce the Group's dependency on classic construction services, by growing its earnings across all segments of the project value chain.

The assumptions that underpin the *New Strategic Future* are global socio-economic fundamentals such as economic growth, population growth and urbanisation, together with environmental imperatives such as the transition to lower-carbon energy and an increasing focus on water preservation. Specifically, the Group aims to grow in the international oil and gas, mining and minerals, and power markets, where it is able to leverage its current capabilities, and in the global industrial water market which it aims to achieve through organic growth from a modest base, as well as through acquisition.
To this end and in line with the strategy, the Oil & Gas business platform made two bolt-on acquisitions to expand its specialist engineering capabilities.

The depressed global economic conditions and weak demand for natural resources, together with the slump in commodity prices, specifically oil, weighed heavily on the Group's financial performance in FY2015. However, the Group firmly believes that an upswing in the commodity cycle and improvement in the oil price will occur, as global economic growth and supply/demand dynamics should improve in the medium term. It is not a question of if, but when and at what pace. The long-term picture is thus compelling and the Board firmly supports the Group's strategic direction, which aims to achieve sustainable growth in profitability, cash generation and returns to our shareholders.

The refocusing of the business platforms on these target market sectors was imperative to deliver on the strategy. The Board commends the resolve of management in this regard and the progress made thus far. Specific progress made in the year has included early changes to the Group's business model through successful bolt-on acquisitions. Areas of non-performance are being decisively addressed. Management's strict focus on cost containment,

MAHLAPE SELLO

> "THE LONG-TERM PICTURE IS COMPELLING AND THE BOARD FIRMLY SUPPORTS THE GROUP'S STRATEGIC DIRECTION, WHICH WILL ACHIEVE SUSTAINABLE GROWTH IN PROFITABILITY, CASH GENERATION AND RETURNS TO OUR SHAREHOLDERS."

contractual excellence, risk management and project performance, which seek to achieve improved project margins and minimise project losses, are pivotal to the success of the strategy.

The Group pursues its growth strategy in the context of its purpose – to deliver infrastructure in a sustainable way to facilitate economic and social development. This commits the Board, management and our employees, as well as the many entities with whom we partner in delivering projects, to act responsibly as we strive to achieve a balance between the interests of all stakeholders. Noteworthy in this respect, particularly as the Group grows its international presence, are our values and business principles which provide the framework for assessing and selecting potential employees, partners and clients and mitigating the risk of exposure to unethical business practices.

Our aim is to differentiate Murray & Roberts. There are a number of imperatives, which are reviewed in detail throughout this integrated report, that support this objective.

Whereas we have improved our safety performance, the Board is deeply saddened to report four fatalities this year. We extend our sincere condolences to the families, friends and colleagues of the deceased. It is simply unacceptable that our employees are harmed in the Group's service and we are comforted by management's individual personal commitments to making Zero Harm a reality throughout the Group. Similarly, the Group's lost time injury frequency rate, which improved to a record-low of 0.79 (FY14: 0.80). Supporting this rate are industry benchmark performances at some of our businesses and projects.

The Group has maintained an industry-leading health, safety and environment ("HSE") performance, not only as a moral obligation but also a source of competitive advantage. In the past year we continued to entrench our Group Health and Safety Framework, underpinned by our Zero Harm through Effective Leadership programme. The framework sets out the Group's objectives and targets for HSE, and specifies standards relating to management systems, operations and people, which includes Visible Felt Leadership ("VFL") engagements. The framework also encourages the sharing of good practices and lessons learnt and is supported by second and third party reviews, which focus management's attention on areas for improvement.

Management continues to pursue the Group's entitlements on the unresolved Gautrain and Dubai International Airport claims. During the year, two significant arbitration rulings were made in favour of the Bombela Concession Company, which is pursuing the claims on behalf of the Bombela Civil Joint Venture in respect of the Gautrain claim. The arbitration process in respect of the Dubai International Airport final payment dispute is formally underway. Resolution of these claims will increase certainty of past earnings and provide a platform for further growth.

CHAIRMAN'S STATEMENT CONTINUED

The continuous development and improvement of Lessons Learnt and Contracting Principles frameworks, which have to be considered at the time of tendering, are now well embedded in the Group.

The Group is committed to promoting diversity across all our operations. In South Africa, we acknowledge the significant work that still needs to be done to transform our operations as a moral, social and commercial imperative. While we have maintained our Level 2 Broad-based Black Economic Empowerment ("BBBEE") score, our targets for employment equity performance were not all achieved. The key areas for improvement are the priority elements including skills development, enterprise and supplier development, management control and employment equity. Management has committed itself to redoubling its efforts to achieve and improve our performance in these areas.

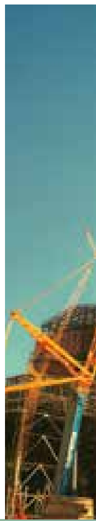
The alignment of the Construction Sector Charter with the amended Generic BBBEE Codes is currently underway and verification against the new targets will result in a significant drop in the Group's BBBEE rating. While the impact of this alignment is expected to be similar across the industry, our South African businesses have analysed the impact of the new requirements and are reviewing their transformation plans accordingly.

During the year the Group experienced disruptive unprotected strike action, especially at the Medupi power station project. To mitigate against the risk of adversarial relations with organised labour, the Group will continue its efforts to ensure fair and competitive remuneration at all levels, supported by its extensive social development initiatives.

All these imperatives, from the safe and effective delivery of projects to transformation and improving stakeholder relationships, are brought together in the Group's performance management system. This is aligned to the five performance dimensions necessary to realise the Group's vision for 2020, which are incorporated into the performance contracts of Group leadership and cascade into performance contracts across the Group. Key performance indicators for each dimension are shared throughout the Group annually by the Group chief executive to provide clear expectations for performance and behaviour.

Performance contracts and reviews link into our talent management and succession management processes. The Group's ongoing investment in skills development, talent management, organisational transformation and employee relations are aimed at securing and motivating the calibre of human capital we need to achieve our strategy. Given the mobility of skilled employees, these initiatives, alongside our retention initiatives, mitigate against the risk of loss of key skills and institutional knowledge.

At Board level we have also focused on ensuring that we have the requisite skills and experience to support the Group's growth aspirations, and to this end we have made a number of non-executive director appointments. Ralph Havenstein, who has considerable experience in the mining and petrochemical sectors, was appointed to the Board on 1 August 2014, and is chairman of the health, safety & environment committee and is a member of the social & ethics committee. Suresh Kana was appointed to the Board on 1 July 2015 and is a member of the audit & sustainability, remuneration & human resources and risk management committees. He brings deep insight into doing business in the rest of Africa. Xolani Mkhwanazi, who has experience in the power, engineering and mining sectors, joined the Board on 1 August 2015 and is a member of the risk management and health, safety & environment committees. I bid a warm welcome to our new Board members and look forward to their respective contributions to our strategic and oversight responsibilities.



Bill Nairn reached the mandatory retirement age at the end of December 2014 and retired as a non-executive director, as chairman of the health, safety & environment committee and as a member of the social & ethics and the risk management committees. The Board would like to thank Bill for his valuable and incisive contribution to the Group over the past five years and wishes him well in his future endeavours.

"AT BOARD LEVEL WE HAVE ALSO FOCUSED ON ENSURING THAT WE HAVE THE REQUISITE SKILLS AND EXPERIENCE TO SUPPORT THE GROUP'S GROWTH ASPIRATIONS, AND TO THIS END WE HAVE MADE A NUMBER OF NON-EXECUTIVE DIRECTOR APPOINTMENTS."

In the financial year ahead, management will continue to focus on implementing the objectives and priorities that underpin the Group's *New Strategic Future*. We anticipate no immediate change to the subdued outlook in the Infrastructure & Building business platform. In the Power & Water business platform, we will concentrate on accelerating the replacement of work related to the Medupi and Kusile power projects, which will decline over the next few years. Prospects in the Oil & Gas business platform remain strong, although projects will only come to fruition in the medium term, considering the weakness in the oil price. We are optimistic about the Underground Mining business platform's prospects which, although investment in new mines is almost non-existing, should benefit from anticipated growth in infrastructure replacement opportunities on operating mines. Continued cost containment and operational excellence to preserve margins will remain of critical importance in what will be another difficult year.

Given the macro-economic headwinds the Group is likely to face in the next year or two, a material improvement in earnings in the short term is unlikely, notwithstanding the steady progress management is making in implementing our strategic initiatives. Following the resumption of dividend payments in FY2014, the Group, after taking the current economic climate into consideration, has clarified its dividend policy. The dividend payment is subject to an annual review, as distributions may be influenced by global market conditions, possible merger and acquisition activity and/or relative balance sheet strength. Based on the above, the Board will consider paying an annual dividend of between three and four times earnings cover.

On behalf of the Board, I extend my appreciation to our stakeholders for their continued support during the past year. We recognise that maintaining your trust and support is contingent on continuing to live by our purpose as we seek to pursue our strategy, despite the challenges we may face during these difficult economic times.

MAHLAPE SELLO
GROUP CHAIRMAN

GROUP DIRECTORATE

MAHLAPE SELLO

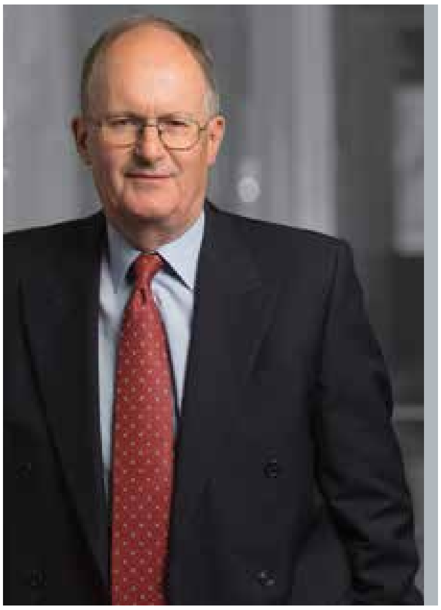
INDEPENDENT NON-EXECUTIVE DIRECTOR
Master of Arts in Law, LLB

Mahlape was appointed to the Board in 2009 and became chairman in 2013. She is chairman of the nomination committee and a member of the social & ethics, the health, safety & environment and the remuneration & human resources committees. She is also a trustee of The Murray & Roberts Trust.

DAVID (DAVE) DUNCAN BARBER

INDEPENDENT NON-EXECUTIVE DIRECTOR
FCA, AMP

Dave was appointed to the Board in 2008. He is chairman of the audit & sustainability committee and a member of the risk management committee.



RALPH HAVENSTEIN

INDEPENDENT NON-EXECUTIVE DIRECTOR
BCom, MSc Chem Eng

Ralph was appointed to the Board in August 2014. He is the chairman of the health, safety & environment committee and a member of the social & ethics committee.

NON-EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR
GROUP SECRETARY

pg 92 // for the full directors' CVs

JOHN MICHAEL MCMAHON

INDEPENDENT NON-EXECUTIVE DIRECTOR
PrEng BSc Eng

Michael was appointed to the Board in 2004. He is the chairman of the risk management committee, and a member of the nomination and the audit & sustainability committees.

ROYDEN THOMAS VICE

INDEPENDENT NON-EXECUTIVE DIRECTOR
BCom, CA(SA)

Royden was appointed to the Board in 2005. He is chairman of the remuneration & human resources committee and a member of the risk management, the audit & sustainability and the nomination committees. He is also a trustee of The Murray & Roberts Trust.

SURESH PARBHOO KANA

INDEPENDENT NON-EXECUTIVE DIRECTOR

MCom, CA(SA)

Suresh was appointed to the Board in July 2015 and is a member of the audit & sustainability, remuneration & human resources and risk management committees. He is also a trustee of the Murray & Roberts Trust.

XOLANI HUMPHREY MKHWANAZI

INDEPENDENT NON-EXECUTIVE DIRECTOR

MSc PhD (Applied Physics)

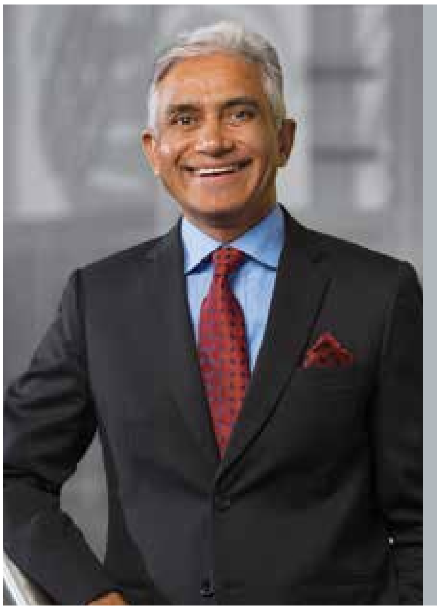
Xolani was appointed to the Board in August 2015 and is a member of the risk management and health, safety & environment committees.

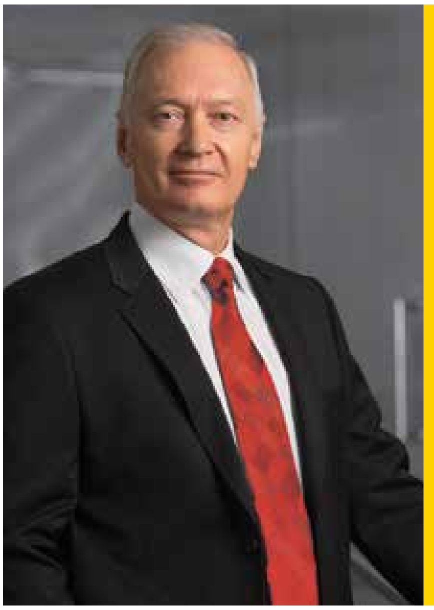
NOMALIZO (NTOMBI) BERYL LANGA-ROYDS

INDEPENDENT NON-EXECUTIVE DIRECTOR

BA (Law), LLB

Ntombi was appointed to the Board in June 2013. She is chairman of the social & ethics committee and a member of the remuneration & human resources committee. She is also a trustee of The Murray & Roberts Trust.





ANDRIES JACOBUS (COBUS) BESTER

GROUP FINANCIAL DIRECTOR

BCom (Acc) (Hons), CA(SA)

Cobus joined Concor in 1998 and following the acquisition of Concor by Murray & Roberts in 2006 was appointed to the Murray & Roberts Limited Board in 2007 and the Murray & Roberts Holdings Board in July 2011.

HENRY JOHANNES LAAS

GROUP CHIEF EXECUTIVE

BEng (Mining), MBA

Henry joined the Group in 2001 and was appointed to the Board and as Group chief executive in July 2011. He is a member of the health, safety & environment committee.

LAMBERTUS (BERT) KOK

GROUP SECRETARY

FCIS, FCIBM

Bert joined the Group in 2011 and was appointed Group secretary in February 2014.

GROUP CHIEF EXECUTIVE'S AND FINANCIAL DIRECTOR'S REPORT

A NEW STRATEGIC FUTURE

In our *New Strategic Future* plan, we defined specific objectives and priorities to give clear expression to the Group's strategic direction, which align with the performance dimensions against which executive management is measured. These objectives and priorities are being interpreted and executed at corporate and business platform level to realise our vision for 2020.

The organisational structure we adopted to support our strategy is four specialist client-centric business platforms focused on their chosen natural resources market sectors, as opposed to several generalist engineering and construction businesses with a geographic focus. This enables each business platform, within the Group's core ambit of engineering and construction, to develop a differentiated service offering based on the specific requirements of clients in that market sector. The four business platforms are Oil & Gas, Underground Mining, Power & Water and Infrastructure & Building. The business platforms deliver services across the project value chain to their respective clients, giving each of them regional as well as international exposure in the opportunities they pursue.

Following on from the consolidation and renaming of the business platforms last year, a further refinement during the year was to rename the Energy & Industrial platform as Power & Water, narrowing its focus accordingly. This followed the extensive restructuring of the platform to improve its operational performance in the face of subdued market conditions. While the business platforms are named after their primary markets, they also have the flexibility to respond to opportunities in complementary markets, based on their client relationships, existing capabilities and geographic presence.

We also refined the executive management business platform roles, with chief executive officer and chief financial officer positions taking effect on 1 July 2015 for each business platform. This more accurately reflects the responsibility the platform executives have for formulating and executing business strategy, within the framework set by the Group's vision and strategic direction, as opposed to them having only operational responsibility. Further structural refinement is underway, aimed at strengthening and streamlining the Group's governance framework in relation to the business platforms, to ensure effective Group oversight.

Underpinning the *New Strategic Future* is the concept of *Engineered Excellence*, which is our guiding principle in everything we undertake. It commits us to strive for excellence through detailed planning and execution, and is especially important in ensuring we continue to advance our strategy and improve our performance. At the heart of this guiding principle is the commitment to creating long-term shareholder value at all levels of the Group.

HENRY LAAS (left)
& COBUS BESTER

"DESPITE THE CHALLENGES WE WILL NO DOUBT FACE IN THE YEARS AHEAD, THE GROUP IS WELL PLACED TO REALISE OUR VISION FOR 2020, GIVEN THE COMMITMENT TO DRIVING *ENGINEERED EXCELLENCE* AND ENHANCING SHAREHOLDER VALUE ACROSS THE GROUP."

FINANCIAL UPDATE

Revenue from continuing operations decreased by 15% to R30,6 billion (FY14: R36 billion) and attributable profit of R881 million was recorded (FY14: R1 261 million). Diluted headline profit per share from continuing operations decreased by 2% to 201 cents (FY14: 205 cents).

The Oil & Gas business platform delivered an operating profit of R838 million (FY14: R1 026 million), a good performance considering the oil price decline during the financial year. The platform's operating margin improved to 7% (FY14: 6%).

The Underground Mining business platform delivered an operating profit of R411 million (FY14: R258 million), improving its performance significantly compared to last year, lifting the platform's margins from 4% to 5%. The increased activity in the USA and Australian markets, supported by a buoyant Zambian market, drove the increase in revenue and operating profit.

The Power & Water business platform recorded an operating loss of R134 million (FY14: profit R144 million). This was as a result of loss-making engineering projects in South Africa and Namibia which together with subdued market conditions gave rise to a major restructuring of the platform. The loss for the year includes the restructuring costs incurred. The power programme generated an operating profit of R189 million (FY14: R238 million).

The Infrastructure & Building business platform posted an operating profit of R205 million (FY14: R196 million). The platform's South African operations remained profitable, although this was at low operating margins. The prior year included R323 million of additional income from the financial settlement of the GPMOF claim. The platform's results include positive fair value adjustments on the Bombela Concession investment of R172 million (FY14: R234 million).

Net financing costs increased to R72 million (FY14: R58 million) as a result of servicing the debt raised in Australia and utilisation of cash in December 2013, to fund the acquisition of the non-controlling interests in Clough.

REVENUE FROM CONTINUING OPERATIONS

R30,6 billion
(FY14: **R36** billion)

ATTRIBUTABLE PROFIT

R881 million
(FY14: **R1 261** million)

GROUP CHIEF EXECUTIVE'S AND FINANCIAL DIRECTOR'S REPORT CONTINUED

The effective taxation rate decreased to 18.4% (FY14: 33.8%), due to the utilisation of tax losses. Deferred taxation assets were not raised on all taxation losses within the Group. Income from associates are insignificant and increased to R3 million (FY14: R1 million), largely made up of the Group's investment in the Bombela Operating Company.

Profit from discontinued operations was R32 million (FY14: R423 million) and includes profit before taxation totalling R11 million on the disposal of the Tolcon businesses, which were sold for R186 million. The prior year profit from discontinued operations included the trading profits of the construction materials businesses for four months, as well as profit on sale of R379 million. The sale agreements for the remaining Tolcon businesses (Cape Point Partnership and Entilini Operations) have been signed and are awaiting the fulfilment of final conditions. This is expected to occur within the first quarter of FY2016. Profit attributable to non-controlling interests reduced to R13 million (FY14: R139 million) due to the acquisition of the non-controlling interests in Clough on 11 December 2013, with six months of non-controlling expense reflected in FY2014.

Capital expenditure for the year was R425 million (FY14: R961 million) of which R290 million (FY14: R671 million) was for expansion and R135 million (FY14: R290 million) for replacement. The Underground Mining platform incurred the bulk of the capital expenditure.

The Group generated cash from operations of R1,1 billion (FY14: R1,8 billion generated). The movement was mainly due to the decrease in continuing earnings of R400 million and discontinued earnings of R560 million which includes profit on sale of businesses, lower depreciation, repayment of advances and cash required to fund the loss-making projects in the Power & Water platform. The Group ended the financial year with a net cash position (after the deduction of interest bearing debt) of R1,4 billion (FY14: R1,8 billion).

The Group acquired three businesses in the financial year. The total purchase consideration was R164 million and the transactions generated goodwill of R148 million. The goodwill represents the value attributed to the workforce of the respective businesses. The Oil & Gas platform acquired Booth Welsh and CH-IV, which provide engineering services mainly to the European and American markets respectively. Power & Water acquired Aquamarine, a Cape Town-based firm that designs and manufactures scalable mobile water treatment plants.

The Group's order book at year end was R38,3 billion (FY14: R40,9 billion). The reduction was mainly due to a decrease in the order book of the Oil & Gas platform as orders on large capital projects are being replaced by smaller or shorter duration engineering and commissioning contracts. This negative movement in the Oil & Gas platform order book was partly offset by an increase in the Underground Mining platform order book, primarily due to the awards of the R4,8 billion Kalagadi and R3 billion Booysendal projects to Murray & Roberts Cementation.

STRATEGY UPDATE

To achieve our vision for 2020 we set six key objectives, each with specific priorities, with the ultimate aim of enhancing shareholder value. Below we review the progress we have made in the year and our expectations for the coming year, against these objectives.

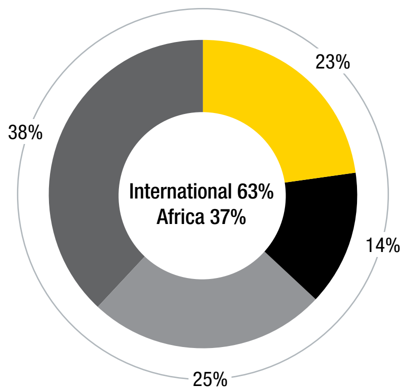
GROW PROFITABILITY AND CASH FLOWS

The lower profitability in the year was due to a subdued market, primarily in the oil and gas sector, as well as poor project performances mainly in the Power & Water platform. Growing profitability and cash flow in the years ahead will be a function of normal business trading.

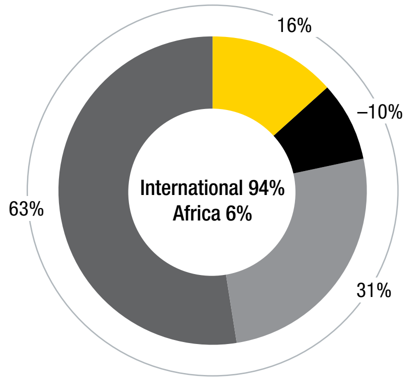
We also anticipate that substantial value and cash will be unlocked in the settlement of the Dubai International Airport and Gautrain claims. A conservative claims value has been accounted for in previous financial years as part of uncertified revenues. During the year a favourable arbitration ruling was received on the merits of the Sandton Cavern claim, for which no value was recognised as uncertified revenue, and the arbitration ruling on the claim quantum is expected before the end of calendar year 2015.

In respect of the Gautrain tunnel water ingress matter, any further work that may be required is yet to be determined. It is unlikely that the stringent required water specification will be achieved through any other means other than the installation of a concrete lining between Park and Rosebank stations, which will require this section of the tunnel to be closed for about two years. This matter remains under consideration as the current level of water ingress has no impact on the functionality or safety of the tunnel. No additional provision,

REVENUE



EBIT (BEFORE CORPORATE COST)



INFRASTRUCTURE & BUILDING
POWER & WATER
UNDERGROUND MINING*
OIL & GAS*

* *Internationally focused*

besides the R300 million we recorded last year for our 45% share of the potential cost to be incurred by the Bombela Civil Joint Venture, has been raised. The amount of any other potential financial liability related to this matter cannot be determined at this stage.

The multi-billion rand delay and disruption claim against the Gauteng Provincial Government, which is by far the largest element of the Gautrain claims, is progressing. In the year, two significant arbitration rulings were made in favour of the Bombela Concession Company, which is pursuing the claims on behalf of the Bombela Civil Joint Venture. The legal basis of the claim has now been established, in respect of the additional costs incurred on two cantilever bridges, and the late handover of land, which was determined to be a project event giving rise to an entitlement to an extension of time and compensation for additional costs incurred.

The merits and quantum hearings will only be heard from the first quarter of calendar year 2016 with financial conclusion only likely the following year. Any award will attract interest dating from 2009 to the date of award.

In respect of the Dubai International Airport final payment dispute, we appointed a new international law firm, Freshfields, to lead the legal process in this claim resolution process. We submitted a notice of dispute and a first meeting was held with the respondent to explore a settlement. We filed the formal request for arbitration on 26 May 2015 and expect completion by December 2016. In the meantime, a parallel process of engagement continues with the Dubai Government, to try and resolve the dispute outside of the ongoing legal proceedings.

FOCUS ON INTERNATIONAL RESOURCES MARKET SEGMENTS

To support our focus on the international natural resources sectors, we have assessed where the greatest opportunities in our chosen sectors will be and have established a presence in those regions. Our offices in the USA, Canada, Australia and South Africa place us in the centres of global mining and liquefied natural gas ("LNG") activity. The "hub and spoke" approach remains our model for the continent of Africa, with Zambia, Ghana and Mozambique the regional hubs. Mozambique remains a specific target country based on the significant opportunity associated with medium-term LNG developments. Outside of the regions where we are established, our business platforms follow their clients on a project-by-project basis.

This exposure to different market sectors and regions gives the Group some measure of protection against economic cyclicality. However, the Group's order book at the end of FY2015 decreased to R38,3 billion from R40,9 billion in FY2014, which reflects the impact of weak commodity markets and challenging global economic conditions.

The drop off in project activity and value of work being undertaken in the Australian LNG sector, as construction work on several large greenfields projects reaches completion, was anticipated. However, this came a year earlier than expected and was more pronounced due to the collapse in the oil price, which constrained the capital and operational expenditure of LNG producers. This resulted in reduced margins on current projects, project scope reductions and project deferrals. Following the LNG construction boom of the last few years, the market in Australia is transitioning to smaller commissioning, maintenance and brownfields opportunities to support the LNG facilities that have been constructed. The Oil & Gas platform's future work stream has now returned to a more conventional order book profile, representing orders with lower project values, although buffered by its market-leading share of the commissioning market in Australia.

To counter its reduction in earnings from the Australasia region, the Oil & Gas platform is diversifying and building critical mass in the international oil and gas market, which provides significant opportunity given that the Australasian LNG market currently accounts for less than 10% of the world market. Strong relationships established with major global LNG clients during the boom period in Australasia position it well to win work in other high-growth regions, specifically the USA, Canada and Africa. This platform is also focused on establishing a track record of successful delivery of major marine projects across the globe, which include facilities for LNG and metals and minerals imports and exports.

After an extended super-cycle, the downturn in commodities demand and prices has been swift and the commodities markets have remained weak in the last few years. But with the Underground Mining platform showing order book growth in FY2015, there was some evidence of a rebound of project activity in this sector, especially for infrastructure replacement work on operating mines. Significant additions to the Underground Mining platform order book included the R3 billion Booysendal and the R4,8 billion Kalagadi Manganese contract mining awards in South Africa, and the R1,3 billion Goderich shaft refurbishment project in Canada.

Although low commodity prices are likely to constrain investment in new mines, most of the work undertaken by the Underground Mining platform is infrastructure replacement work, which is required by operating mines to maintain competitive production. We are starting to see increasing demand for infrastructure replacement work.

Looking further ahead, the pipeline of mining projects is considerable as and when the commodities cycle begins to turn. The Underground Mining platform is strongly positioned, with established relationships with top-tier mining clients active in all key commodities. The platform is also well entrenched in the regions where a recovery in project activity is expected and operational risks are lower, specifically in Canada and Australia. It has also strengthened its presence in Zambia which is providing an effective springboard into other sub-Saharan Africa countries.

In the Power & Water platform, the importance of replacing the Medupi and Kusile power station work remains front of mind. These projects will continue to provide baseload work until 2018 and we intend to leverage the competencies we have developed into other African markets. In this regard it is worth noting that Medupi and Kusile are two of the largest coal-fired power stations constructed anywhere in the world. We are also focusing on growing our track record in renewable energy, including solar and wind, and the recent developments in the nuclear power sector in South Africa, with the selection of country and technology partners expected by the end of calendar year 2015, may present further opportunities in the long term.

GROUP CHIEF EXECUTIVE'S AND FINANCIAL DIRECTOR'S REPORT CONTINUED

After further research undertaken during the year, we remain convinced that the industrial water sector presents an attractive growth opportunity for the Power & Water platform and the Group. Due to the technical demands of succeeding in this sector, an acquisition presents the best entry option. As such, we acquired a niche company, Aquamarine, to test our thinking in respect of this sector's potential. Aquamarine has capabilities in water treatment processes ranging from conventional water treatment to specialised reverse osmosis, desalination and ultra-filtration systems, all of which are designed and manufactured by in-house engineers. This acquisition did not only achieve a modest entry into the water sector, but also enables the Power & Water platform to offer services across the project value chain.

DIVERSIFY THE GROUP'S BUSINESS MODEL

We are diversifying our business model by enhancing our specialist engineering, commissioning and asset support capabilities to complement our construction capabilities. These services yield higher margins and carry lower risk than services provided in the construction segment of the project value chain. They will also enable us to extract more value from a single project by providing a comprehensive range of services during the development and life of that project. These capabilities will be strengthened through the bolt-on acquisition of small specialist companies.

Importantly, the ability to offer more complete project solutions is key in securing repeat business with global clients in the different regions in which they are active. It also provides greater visibility and control over more of the project delivery process, allowing for better risk identification and mitigation and ultimately more effective project outcomes. This corresponds with the emphasis that our business platforms are placing on becoming more client focused.

> "AN IMPORTANT ASPECT OF OUR COMMITMENT TO *ENGINEERED EXCELLENCE* IS TO CONTINUE IMPROVING OUR PROJECT MANAGEMENT, RISK AND COMMERCIAL MANAGEMENT CAPABILITIES, AND TO ENSURE A CONSISTENT STANDARD OF EXCELLENCE ACROSS OUR BUSINESS PLATFORMS IN THIS REGARD."

During the year the Oil & Gas platform made two bolt-on acquisitions to expand their specialist engineering capabilities, CH-IV (USA-based) and Booth Welsh (UK-based), which are performing to expectations. Both are highly competent companies whose niche products and services add value to the platform's existing capabilities. In turn, they will benefit from the platform's shared services, robust balance sheet and global footprint in transforming their growth prospects.

The Oil & Gas platform is planning to grow its commissioning and maintenance business based in Australia, which was established through the acquisition of e_2o in 2013, into every geographical region in which it operates. e_2o is a leading multi-disciplinary technical service provider in completions, commissioning and operational support for the oil and gas, mining and heavy industry sectors.

The Underground Mining platform grew its complement of engineering staff during the year, strengthening its capability to provide services across the full "life-of-mine" value chain, encompassing upstream engineering (design), construction of the mine (build), downstream contract mining (operate) and infrastructure replacement work. Furthermore, it established a new services business in the USA to provide engineering, procurement and construction ("EPC") services for bulk material handling systems to the mining and minerals sectors, and made further inroads into the European market with its engineering-led project service offering.

The Infrastructure & Building platform is extending its business model by re-entering the development segment of the project value chain. It will focus on commercial, retail, industrial and residential markets in major urban centres, primarily in South Africa but also elsewhere in sub-Saharan Africa, in partnership with selected property developers. During the year it made an investment in a residential property development project alongside one of the top investment managers in South Africa, and is targeting similar opportunities to leverage its existing skills for better margins. It is also investigating opportunities to move into asset management services for large property owners, thereby securing an additional annuity-type income stream.

DELIVER PROJECT AND COMMERCIAL EXCELLENCE

An important aspect of our commitment to *Engineered Excellence* is to continue improving our project management, risk and commercial management capabilities, and to ensure a consistent standard of excellence across our business platforms.

We recognise that having the right people in place is paramount to project performance. Even the best business systems cannot replicate the value of hands-on management, who are able to accurately assess the potential impact of risks and the difficulties that arise over the course of a project and implement immediate and effective remedies. As such, we continue to support the development of our people to achieve best practices in project management.

The Group has developed and implemented a project management framework for project delivery, which describes the minimum requirements that each of the businesses in the Group must meet, and this framework is integrated into the Group's risk management approach. In our South African operations, we offer two project management training programmes certified by the Project Management Institute, and during the year the Oil & Gas platform launched the Clough Project Academy, with the programme being certified by Stanford University.

We recognise that these project management requirements need to be more rigorously applied in some of our South African operations, which is receiving specific attention. Whereas our project losses have declined substantially over the past four years, we believe they are still unacceptably high. Besides the negative impact on the Group's profitability and on our client relationships, distressed projects cause significant internal disruption and divert a disproportionate amount of management's attention away from strategic execution. This is besides the considerable time and money that is required to pursue claims that arise from contractual disputes.

Difficult market circumstances and poor project execution during the year in the Power & Water business platform, which was not aligned with the concept of *Engineered Excellence*, ultimately led to a substantial restructuring of this platform. After the refocusing of its scope, changing its executive leadership and rationalising its cost structure, the restructured Power & Water platform will provide a more stable basis from which to pursue growth opportunities.

ENHANCE THE SAFETY, PERFORMANCE AND DIVERSITY OF OUR PEOPLE

Safety performance is of specific importance to the Group and to our clients. Good safety outcomes are not only a moral obligation, but position us as a contractor of choice. Our consistent focus on safety has maintained the Group's lost time injury frequency rate ("LTIFR") at an industry-leading level of 0.79 against our target of 0.80 at 30 June 2015, compared to 0.80 in FY2014. A specific focus was on improving lead indicators, which saw an increase in VFL engagements across the Group compared with the previous financial year.

However, it is with deep regret that we recorded four fatalities in the year. Without exception, the leaders of Murray & Roberts consider fatalities to be the most distressing feature of their roles within our Group. We continue to believe that Zero Harm is possible notwithstanding the challenging environments in which our employees operate, a belief galvanised by some exceptional safety performances across the Group. These included two LTI-free years at Murray & Roberts Botswana, RUC Cementation and Murray & Roberts Plant, and one LTI-free year at Murray & Roberts Infrastructure and Genrec Engineering.

To intensify our efforts to eliminate fatalities and ensure that our safety performance does not plateau, the first Group safety conference was held in May 2015, which gave more than 60 of our leaders from across the Group the opportunity to share ideas and best practices. The conference identified key focus areas for FY2016, which included every leader in the Group making a personal commitment to improving safety. A Safety Stand Down was held across all Murray & Roberts operations during July 2015 to support the rollout of these initiatives. The most significant intervention during FY2016 will be the implementation of our Major Accident Prevention ("MAP") programme aimed at improving the management of fatal risks.

The Group has standards in place to manage occupational health risks within all our businesses. Following the launch last year of our comprehensive employee health and wellness programme, Philisa Care, in our South African operations, we implemented the second phase of the programme with a focus on medical surveillance, executive medicals, alcohol and drug testing and screening for HIV and TB. Similar programmes, which integrate the various elements of occupational health and wellness management to proactively manage associated risks, are in place at operations across the Group.

More broadly, we continue to improve our employee value proposition and strive to create an environment that attracts and retains the people with the skills and values required to embrace the concept of *Engineered Excellence* and to achieve our strategic objectives. A pleasing corroboration of our people management practices in South Africa was provided by the Deloitte Best Company to Work For Survey, in which we achieved the standard of excellence recognition, with our employees rating us as an employer of choice.

Training and development remains a key focus for the Group to ensure our employees are able to perform their duties effectively and safely, and to help them achieve their individual potential. Each business' managing director, supported by the human resources function, is accountable for ensuring that appropriate training is provided to employees to enable them to effectively perform their duties. We spent a total of R93 million in FY2015 on training and development, equating to 1% of payroll. In South Africa alone R78 million was spent on training and development equating to 2% of payroll.

In the South African businesses the Group has implemented an Employee Relations Framework, providing guidelines to assist them in establishing meaningful relationships with employees and stakeholders. This aims to reduce the risk of labour disruptions and ensure optimal organisational performance. The goals of the framework are engaged employees, capable leaders and being an equitable employer. Implementation of this framework achieved encouraging results at the Kusile power station project where it was first rolled out.

The Group maintained its consolidated BBBEE rating at Level 2 measured against the Construction Sector Charter, despite the low economic growth in South Africa which is not conducive to accelerating our employment equity performance. Whereas we did not meet our stringent transformation targets of appointments and promotions of 60% at senior management, 70% at middle and 80% at junior management being historically disadvantaged South Africans, we made good progress at middle management level with a 4% increase overall in our headcount when compared to FY2014.

Ultimately, it is the calibre of our leaders that will ensure we achieve our strategic objectives. We therefore continue to develop our leadership capability at all levels, with specific focus on sufficient bench strength and succession planning, especially at business platform level. Our Leadership Development Framework assists us in building strong individual leaders, and articulates the leadership characteristics required to fulfil our purpose and vision, and to live our values. We also have a well-developed system in place to identify talent and develop young leaders from within the Group. This is important given the difficulty we are experiencing in recruiting suitable talent in several of our South African businesses. We spent R4.2 million on our various leadership development programmes across the Group in FY2015, down slightly from last year.

ENHANCE SHAREHOLDER VALUE

The Group will continue to pursue opportunities in the global natural resources market sectors, active in all the segments of the engineering and construction project value chain. This requires that we reposition the Group in the minds of our stakeholders. The contribution to Group revenue and earnings from our international businesses has grown steadily over the last few years, and this trend is set to continue given the growth opportunities in international markets, relative to opportunities in South Africa.

In terms of organic growth, we have outlined the opportunities each of our business platforms have identified and their plans to pursue them. Supporting these efforts will be a concerted drive to ensure operational excellence. Importantly, we will focus on reducing project losses through improved commercial and project management.

We do expect a more challenging FY2016 and the Group's declining order book over the past few years reflects the reality of a subdued global economy and weak demand for commodities, coupled with low investment in fixed capital formation in South Africa.

Order book: near orders and pipeline (R billion)

		Pipeline		
ORDER BOOK	NEAR ORDERS	CATEGORY 1	CATEGORY 2	CATEGORY 3
INFRASTRUCTURE & BUILDING				
7,1	2,0	12,0	61,6	40,0
POWER & WATER				
6,0	–	14,0	12,7	21,2
UNDERGROUND MINING				
16,8	5,2	29,2	11,8	22,5
OIL & GAS				
8,4	0,7	20,1	7,6	163,9
38,3	**7,9**	**75,3**	**93,7**	**247,6**

Pipeline definition

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 prequalifications the Group is currently working on. Although project planning is underway, projects are not at a stage yet where they 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.

Our organic growth potential is reflected in the table below, where order book value represents secured work, near orders the value of projects where preferred bidder status has been achieved, and the pipeline captures the value of projects for which tenders, budgets or feasibility work have been undertaken, as well as projects being tracked and that are anticipated to come to market within the next three years.

Our relative balance sheet strength will enable us to extend the success of our bolt-on acquisition strategy, as we grow our capability to provide services in all segments of the project value chain. Given the limitations of organic growth in the short to medium term, we will also consider larger strategic growth acquisitions that fit the Group strategy. This balance sheet strength and greater business stability, achieved through the Group's earlier *Recovery & Growth* strategy, enabled the Board to approve a new dividend policy. In terms of this policy the Board will consider paying an annual dividend, of between three and four times earnings cover.

Despite the challenges we will no doubt face in the years ahead, the Group is well placed to realise our vision for 2020, given the commitment to driving *Engineered Excellence* and enhancing shareholder value across the Group.

We thank our executive team and all of our employees for their contribution to the progress made in the year in pursuit of a *New Strategic Future* for the Group. In particular, we thank the Board for its valued counsel and leadership as we focus our efforts on becoming a leading international diversified engineering and construction Group.

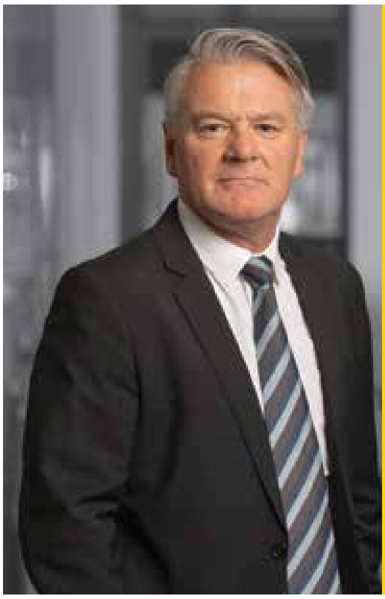
HENRY LAAS
GROUP CHIEF EXECUTIVE

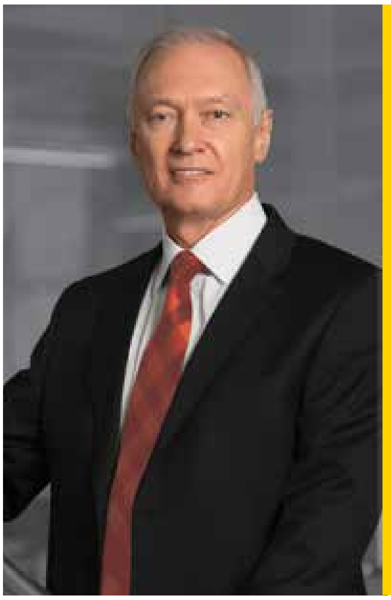
COBUS BESTER
GROUP FINANCIAL DIRECTOR

GROUP EXECUTIVE









COBUS BESTER

GROUP FINANCIAL DIRECTOR

Cobus joined the Group in 2006 following the acquisition of Concor and was appointed to the Board and as Group financial director in July 2011. Cobus is a director of Murray & Roberts Limited, the chairman of Murray & Roberts International Holdings, and a director of Clough Limited. Cobus is the chairman of the Bombela Operating Company and has overall management responsibility for Murray & Roberts Concessions.

- Corporate office finance and payroll
- Financial control and reporting
- Information management and technology
- Murray & Roberts Properties
- Secretarial
- Taxation
- Treasury

COMMITTEE PARTICIPATION
Audit & sustainability
Remuneration & human resources
Risk management
Social & ethics

JEROME GOVENDER

BUSINESS PLATFORM CHIEF EXECUTIVE OFFICER

Jerome joined the Group in 2002 and was appointed to the executive committee on 1 August 2012. He is responsible for the Infrastructure & Building business platform.

- Murray & Roberts Construction
- Murray & Roberts Concessions
- Murray & Roberts Middle East

COMMITTEE PARTICIPATION
Health, safety & environment

HENRY LAAS

GROUP CHIEF EXECUTIVE

Henry joined the Group in 2001 and was appointed to the Board and as Group chief executive in July 2011. Henry is a director of Murray & Roberts Limited, Murray & Roberts International Holdings and of Clough Limited.

- Sustainable delivery of Group strategy and performance

COMMITTEE PARTICIPATION
Audit & sustainability
Health, safety & environment
Nomination
Remuneration & human resources
Risk management
Social & ethics

ORRIE FENN

BUSINESS PLATFORM CHIEF EXECUTIVE OFFICER

Orrie joined the Group and was appointed to the executive committee in 2009. He is the executive director responsible for the Underground Mining business platform.

- Cementation Canada and USA
- Cementation Sudamérica
- Murray & Roberts Cementation
- RUC Cementation Mining

COMMITTEE PARTICIPATION
Health, safety & environment

STEVE HARRISON

BUSINESS PLATFORM CHIEF EXECUTIVE OFFICER

Steve joined the Group in 2011 and was appointed to the executive committee in 2015. He is responsible for the Power & Water business platform.

- Aquamarine
- Genrec Engineering
- Murray & Roberts Power & Energy
- Murray & Roberts Water

COMMITTEE PARTICIPATION
Health, safety & environment

THOKOZANI MDLULI

HEALTH, SAFETY & ENVIRONMENT EXECUTIVE

Thokozani joined the Group in 2010 and was appointed to the executive committee in 2013. He is responsible for health, wellness, safety and environment. Thokozani oversees the Group's BBBEE verification and transformation plans.

- Health, safety and environment
- Wellness
- BBBEE

COMMITTEE PARTICIPATION
Health, safety & environment
Social & ethics

KEVIN GALLAGHER

BUSINESS PLATFORM CHIEF EXECUTIVE OFFICER

Kevin joined the Group in 2011 and was appointed to the executive committee on 11 December 2013. He is responsible for the Oil & Gas business platform.

- Booth Welsh
- CH-IV
- Clough
- CMR Marine
- e_2o

COMMITTEE PARTICIPATION
Health, safety & environment

IAN HENSTOCK

COMMERCIAL EXECUTIVE

Ian joined the Group and was appointed to the executive committee in 2008. He is the corporate executive responsible for the assurance, commercial, legal and risk portfolios. Ian is a director of Murray & Roberts International Holdings, a director of Clough Limited and chairman of Genrec Engineering.

- Commercial
- Forensics
- Internal audit, legal, compliance and ethics
- Risk and insurance

COMMITTEE PARTICIPATION
Audit & sustainability
Risk management
Social & ethics

ANDREW SKUDDER

SUSTAINABILITY EXECUTIVE

Andrew joined the Group in 2004 and was appointed to the executive committee in 2008. He is responsible for the Group's sustainability strategy. Andrew is a director of the Underground Mining business platform companies and trustee of the Murray & Roberts Retirement Fund.

- Branding and communications
- Community development
- Remuneration and benefits
- Strategy
- Sustainability
- Talent management

COMMITTEE PARTICIPATION
Remuneration & human resources
Social & ethics

03

BUSINESS PLATFORM REVIEWS

"THE ORGANISATIONAL STRUCTURE WE ADOPTED TO SUPPORT OUR STRATEGY IS FOUR SPECIALIST CLIENT-CENTRIC BUSINESS PLATFORMS FOCUSED ON THEIR CHOSEN NATURAL RESOURCES MARKET SECTORS."

GROUP OPERATIONS

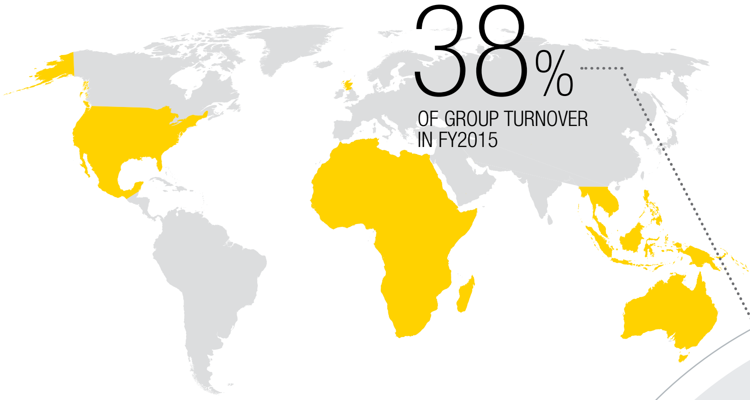
OIL & GAS

pg 42 //

AFRICA | AUSTRALASIA | SOUTHEAST ASIA | NORTH AMERICA | SCOTLAND

BUSINESSES

BOOTH WELSH
CH-IV
CLOUGH
CMR MARINE
e_2o



UNDERGROUND MINING

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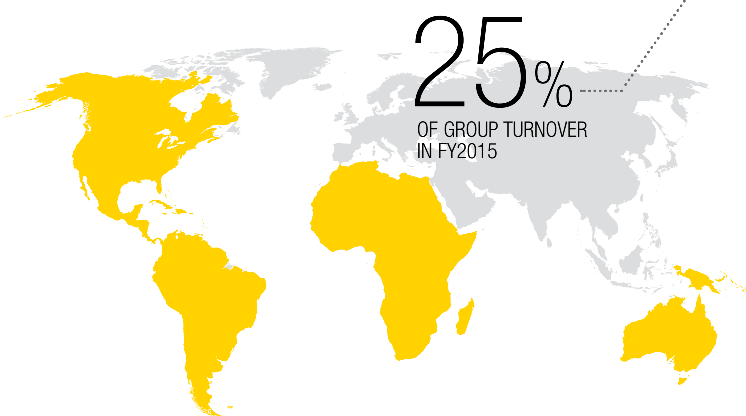
AFRICA | AMERICAS | AUSTRALASIA

BUSINESSES

CEMENTATION CANADA
CEMENTATION SUDAMÉRICA
CEMENTATION USA
MURRAY & ROBERTS CEMENTATION
RUC CEMENTATION MINING



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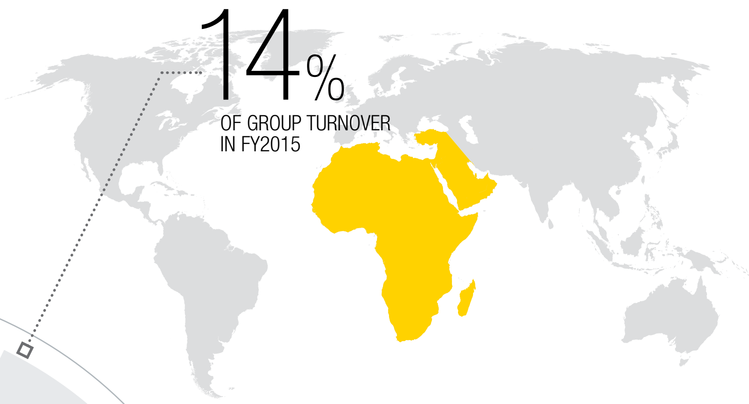
AFRICA

POWER & WATER



BUSINESSES

AQUAMARINE

GENREC ENGINEERING

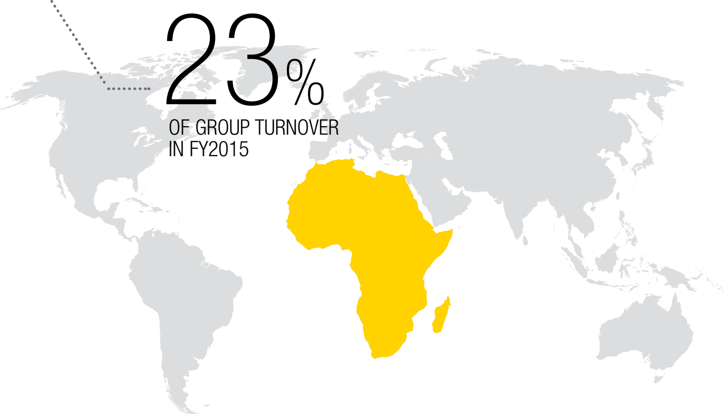
MURRAY & ROBERTS POWER & ENERGY

MURRAY & ROBERTS WATER

pg 54 //

AFRICA | MIDDLE EAST

INFRASTRUCTURE & BUILDING



BUSINESSES

MURRAY & ROBERTS CONCESSIONS

MURRAY & ROBERTS CONSTRUCTION

- CONCOR OPENCAST MINING
- MURRAY & ROBERTS BOTSWANA
- MURRAY & ROBERTS BUILDINGS
- MURRAY & ROBERTS DEVELOPMENTS (NEWLY FORMED)
- MURRAY & ROBERTS INFRASTRUCTURE
- MURRAY & ROBERTS NAMIBIA
- MURRAY & ROBERTS PLANT
- MURRAY & ROBERTS WESTERN CAPE

MURRAY & ROBERTS MIDDLE EAST

OIL & GAS

"GLOBAL POPULATION GROWTH AND URBANISATION WILL CONTINUE TO DRIVE DEMAND FOR ENERGY, PARTICULARLY CLEANER-BURNING LNG."

KEVIN GALLAGHER

Business platform CEO

OVERVIEW

The platform operates from offices in Australia, South Africa, Scotland and the USA and comprises the following businesses: Clough (Perth-based), e_2o (Adelaide-based), CMR Marine (Cape Town-based), Booth Welsh (Ayrshire-based) and CH-IV (Hanover, Maryland-based). The platform was restructured to create alignment and integration with the other Group business platforms, improve operational efficiency and better position it to secure future work. It now comprises three primary divisions: Oil & Gas EPC, Oil & Gas Commissioning and Brownfields, and Infrastructure & Marine.

FY2015 was a dramatic year for the oil and gas market, with oil prices falling some 50% over the period. This accelerated the anticipated slowdown in the Australian oil and gas market, bringing to an end four years of favourable conditions. The falling oil price had an immediate impact on the platform's core business as clients moved to reduce project scope, renegotiate contract prices and defer longer-term investment decisions, both in Australia and internationally.

The USA LNG export market remains strong, with a large number of applications for export licences from domestic producers. Canada, Tanzania and Mozambique should present favourable longer-term opportunities given that these reserves are largely untapped. In Asia, Indonesia represents one of the largest import terminal opportunities in the medium term as it moves to become a LNG importer. In Australia, the brownfields market is expected to grow substantially over the lifespan of existing LNG infrastructure. The Australian government has also announced plans to increase spending to support the economy in a declining resources market, creating opportunities in complementary infrastructure sectors.

FINANCIAL

Revenues decreased to R11,8 billion (FY14: R17,5 billion) as major LNG projects in Australia and Papua New Guinea ("PNG") either neared the end of their construction phase or curtailed capital spend. Operating profit decreased to R838 million (FY14: R1 026 million) due to lower LNG construction activity but the margin was enhanced by cost reduction initiatives and a larger contribution from commissioning work.

Major Australian LNG projects continued to contribute positively to revenue, including Chevron's Gorgon and Wheatstone projects, INPEX's Ichthys project, Santos' Gladstone project, Shell's Arrow project and the Origin and ConocoPhillips APLNG project. Work on these projects will continue through FY2016.

The commissioning business e_2o, acquired in January 2013, recorded strong growth in revenue and earnings as it continued to work on major Australian commissioning projects as the industry transitions from construction to commissioning and brownfields opportunities.

The platform's order book at year end stood at R8,4 billion (FY14: R16,7 billion). The decline in order book reflects current market conditions, particularly in Australia where major construction work on LNG projects is coming to an end, and will be mitigated through the platform's diversification strategy. The major work on LNG projects is being replaced with shorter-duration engineering and commissioning work.

LEADERSHIP

The platform's strategy seeks to mitigate against the continued commodity cycle downturn through geographic diversification of its oil and gas services into international growth markets, and market diversification into global marine markets and infrastructure markets in Australia.

Seven strategic imperatives have been identified to enable the platform to reach its objectives through to 2020:

01 Build project management capability and bench strength.

02 Implement systems and technology to enable reliable and efficient project execution.

03 Build a global oil and gas EPC and EPC management ("EPCM") products and services business.

04 Build a global oil and gas commissioning and brownfields business.

05 Build jetties and terminals into a global business.

06 Enter and develop a water, power and infrastructure business in Australia.

07 Sustainably reduce overhead costs.

The platform's Oil & Gas EPC and Oil & Gas Commissioning and Brownfields divisions operate globally and will develop specialised products and services for this sector. Oil & Gas EPC will focus on engineering, EPC and EPCM products and services while Oil & Gas Commissioning and Brownfields will initially focus on developing the Australian brownfields market which is expected to grow to a US$5 billion per annum market as new LNG facilities become operational.

As part of its international diversification drive, during the year the platform acquired LNG front-end engineering and design consultants CH-IV in the USA and electrical controls and instrumentation contractor Booth Welsh in Scotland. Both companies have been successful in securing new contracts and are continuing to perform in line with expectations.

Australian water, power and infrastructure projects will be managed alongside global near shore marine projects, as part of the Infrastructure & Marine division.

	ENGINEERING		CONSTRUCTION & FABRICATION		GLOBAL MARINE*		COMMISSIONING & BROWNFIELDS		CORPORATE OVERHEADS AND OTHER		TOTAL	
R MILLIONS	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Revenue	**4 679**	4 794	**705**	7 096	**2 085**	2 466	**3 384**	2 013	**953**	1 111	**11 806**	17 480
Operating profit/(loss)	**666**	698	**103**	428	**51**	117	**389**	215	**(371)**	(432)	**838**	1 026
Margin (%)	**14%**	15%	**15%**	6%	**2%**	5%	**11%**	11%	**–**	–	**7%**	6%
Order book	**4 405**	7 971	**–**	1 014	**832**	2 437	**3 209**	5 292	**–**	–	**8 446**	16 714
Segment assets											**3 675**	3 710
Segment liabilities											**2 808**	3 649
People											**2 495**	4 918
LTIFR (Fatalities)											**0.24(0)**	0.35(1)

* *With effect 1 July 2014, Marine is reported under the Oil & Gas platform under Global Marine.*

OIL & GAS CONTINUED

Clough continued to strengthen its leadership team with key appointments to the executive committee. Thomas Dockray, managing director of Oil & Gas EPC, and Philip Cave, managing director of Infrastructure & Marine, joined Clough in the first half of the year, bringing decades of global contracting experience to the Group. Max Bergomi was appointed to the position of managing director, Oil & Gas Commissioning and Brownfields.

Richard Simons joined the platform as chief financial officer and executive director of Clough in June 2015, succeeding Neil Siford. Richard was previously employed at Clough as group manager for corporate finance and treasury from 2005 to 2010.

During the year the platform formally launched its Project Management Academy, with its first intake of 15 participants. The academy has been developed in partnership with Stanford University in the USA, and aims to have Clough-certified project managers recognised as the best in the industry.

The platform has also started developing a comprehensive leadership development programme, set to launch in the first half of FY2016.

RELATIONSHIP

Developing long-term relationships with clients and key strategic partners remains core to the platform's business model.

The platform leverages its existing client relationships to facilitate its entry into new geographies, given the global nature of many of its clients. Positive client relationships are maintained through the delivery of innovative programmes that add value to client operations by improving safety and productivity outcomes while reducing costs.

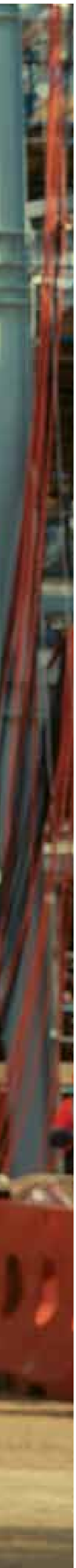
Long-term strategic joint ventures BAM Clough (established 1964) and Clough AMEC (established 2004), continued to deliver strong results in the jetty construction and Australian brownfields sector, while Clough Coens (established 2013) started making progress in delivering commissioning services to Korean shipyards.

The acquisition and successful integration of the e_2o, Booth Welsh and CH-IV businesses was achieved through the retention and empowerment of existing leadership and strong collaboration across the business to leverage cross-selling opportunities.

No industrial action was experienced in the platform's divisions over the past year. In Australia, the platform applies a robust evaluation process when engaging subcontractors through enterprise agreements approved under the Fair Work Act 2009. For international locations, relevant local industrial frameworks are reviewed prior to commencing project and an industrial relations strategy is developed and implemented.

An employee effectiveness survey was undertaken during the year, aimed at enhancing employee engagement, attraction and retention. The outcomes revealed improvements across all metrics that enable employees to be successful in the delivery of their work.

AUSTRALIAN OUTSOURCED BROWNFIELDS SUPPORT WORK IS SET TO BECOME A AU$5 BILLION MARKET BY 2020



OPERATIONAL

Throughout the year Clough completed major scopes of work on Australian projects, including the construction of a 420km pipeline and associated infrastructure for the Gladstone LNG project and two major marine projects: the LNG jetty and module loading facility for INPEX's Ichthys LNG project, and a mineral load-out jetty for Fortescue Metals Group, which set new benchmarks for jetty construction delivery times.

The commissioning business, e_2o, continued its strong growth trajectory, performing work for the Gorgon, Wheatstone, Ichthys, APLNG and Gladstone LNG projects. As these projects move into their operational phases, e_2o will continue to provide ongoing operational support. Following the acquisition, synergies between Clough and e_2o have been successfully realised, with e_2o revenues growing by more than 400% since the company was acquired in 2013.

The platform has merged the Murray & Roberts Marine business in Cape Town with Clough's Marine business in Perth to form Clough Murray & Roberts ("CMR") Marine. CMR Marine will provide strategic, high-value design and construction services across the marine project lifecycle to projects outside Australia and PNG. Due to its strong market leadership position, the 51-year BAM Clough joint venture will continue to provide marine design and construction services to the Australian and PNG markets. During the year, along with completing several major jetty projects, the joint venture secured jetty remediation work for Woodside's North West Shelf, providing brownfields services to a jetty it originally built for Woodside in the early 1980s.

The Clough AMEC joint venture provides brownfields services and continued to work on the ConocoPhillips Bayu-Undan contract, successfully completing a scheduled shutdown during the year, while Clough continued to provide multiple concept studies to support Chevron and Woodside's Australian brownfields operations, presenting opportunities for scope growth.

CH-IV continued to grow in line with expectations, securing significantly larger contracts than prior to the acquisition. Two owner's engineering contracts were awarded for USA LNG projects Magnolia and Freeport. These project wins are important milestones to build CH-IV into a leading owner's engineering consultant for LNG projects, and to position Clough to benefit from the significant growth predicted in this region. Clough is in the process of establishing its North American operations to pursue larger projects.

The recently acquired electrical, control and instrumentation engineering firm Booth Welsh continues to prove successful, primarily due to increased work for existing customers. Clough will continue to focus on growing this business globally, through the platform's network of global operations and strong client relationships.

RISK

The platform has maintained a strong safety performance, achieving an industry-leading LTIFR of 0.24 (FY14: 0.35). Subsequent to year end the platform achieved 200 consecutive LTI-free days.

During the year the platform implemented its MAP programme to prevent major accidents and fatalities on projects. The programme has had a significant and positive impact with no major accident events recorded during the second half of the year, and will now be implemented across all business platforms.

BAM Clough's strong safety performance on the Ichthys LNG Jetty project has been recognised through two Gold Standard Awards presented by the client, INPEX, for excellent safety performance.

Improvements are being implemented in the management of environmental obligations across all platform projects, and online registers are being introduced.

The platform regularly reviews and updates its business risk portfolio, which is focused on enterprise risks relating to the growth of key business areas that are critical to the platform's long-term success.

The ability of certain divisions within Clough, such as Commissioning & Brownfields and Marine & Infrastructure to deliver earnings in line with expectations in the current challenging market, are examples of these risks.

PROSPECTS

Global population growth and urbanisation will continue to drive demand for energy, particularly cleaner-burning LNG. However, as Australian LNG projects move from the construction phase to the operations phase, new LNG investment is likely to shift to other global locations. As a result the platform will continue to focus on global expansion of its Oil & Gas EPC services to new growth regions, particularly Asia, Africa and North America, and the Australian oil and gas commissioning and brownfields growth markets as well as other infrastructure opportunities in Australia.

The global Oil & Gas EPC division expects significant opportunities to come from CH-IV's established presence on major LNG projects in North America. There are also substantial opportunities in PNG with a planned expansion to add a third train to ExxonMobil's PNG LNG project, and with Total and Oil Search as they seek to export LNG from the Elk Antelope field.

Having worked in the greenfields phase of every major LNG project in Australia and PNG, Clough is well positioned to secure operations and maintenance work on these projects. Opportunities are being pursued with ExxonMobil, Chevron, INPEX, Santos, Woodside, Origin and ConocoPhillips, to support and improve the operations of their assets. With Australian outsourced brownfields support work set to become a AU$5 billion market by 2020, long-term sustainable operations support work is expected through to 2040.

CMR Marine will contribute to the global expansion of the Infrastructure & Marine division, with significant opportunity to leverage Murray & Roberts' presence and reputation in Africa. BAM Clough will continue to target resources jetty opportunities in Australia, and will diversify into public ports and harbour projects in the region. Expansion into the government infrastructure sector in Australia is also a key focus for this division, with a number of near-term opportunities being pursued for major water, power and roads projects, utilising capabilities developed in recent years on oil and gas infrastructure projects.

Uncertain market conditions related to lower oil prices will reduce greenfields oil and gas investment in the short term. Although market fundamentals indicate that there may be a lengthy period of price pressure, oil prices will eventually rise, re-igniting investment by the industry. The platform's diversification strategy will mitigate reduced oil and gas project opportunities in Australia and drive longer-term sustainable growth.

UNDERGROUND MINING

"OUR UNDERGROUND MINING PLATFORM'S GEOGRAPHIC FOOTPRINT IS ONE OF THE LARGEST IN ITS INDUSTRY, WITH A SERVICE OFFERING THAT SPANS THE PROJECT VALUE CHAIN INCLUDING SPECIALIST ENGINEERING, SHAFT CONSTRUCTION, MINE DEVELOPMENT, RAISE DRILLING AND CONTRACT MINING."

ORRIE FENN
Business platform CEO

OVERVIEW

The platform comprises the following businesses: Murray & Roberts Cementation (Johannesburg-based); Cementation Canada (North Bay-based); Cementation USA (Salt Lake City-based); Cementation Sudamérica (Santiago-based) and RUC Cementation Mining (Perth-based). Its geographic footprint is one of the largest in its industry, with a service offering that spans the project value chain including specialist engineering, shaft construction, mine development, raise drilling and contract mining.

The impact of weak commodity prices on existing and potential resources clients contributed to the Underground Mining platform's weaker performance from 2012 through to 2014. Mining companies continued to preserve capital and reduce operating costs, which limited the number of project opportunities. Mining companies' ongoing infrastructure replacement spend to sustain their operations contributed to the platform's good performance in the year, despite challenging market conditions.

FINANCIAL

Revenues increased 15% to R7,6 billion (FY14: R6,6 billion), and operating profit increased 59% to R411 million (FY14: R258 million). The order book also showed strong growth to R16,8 billion (FY14: R9,9 billion), boosted by the award of the R4,8 billion Kalagadi Manganese contract mining project at the end of June 2015.

During the year under review, results were less impacted by loss-making projects in Murray & Roberts Cementation (South Africa), as these losses had largely been accounted for in the prior year. Murray & Roberts Cementation's Zambian operations again performed well on the back of three major projects in Zambia.

The North American operations delivered mixed results as Cementation Canada struggled to secure order book in a subdued market. Cementation USA continued to experience strong growth, reporting good results.

RUC Cementation Mining experienced difficult trading conditions, particularly in its home market, but compensated for this by successfully diversifying geographically into the Asia Pacific region.

LEADERSHIP

Key to the platform's growth strategy is a focus on early engagement with clients through upstream engineering work, and establishing long-term, annuity income opportunities through downstream contract mining work, with the emphasis on developing "life-of-mine" relationships particularly with top and mid-tier mining clients. To expand its footprint further, the platform is establishing a local presence in regions presenting suitable business opportunities.

Murray & Roberts Cementation is leveraging the capabilities of other platform businesses to enhance its competitive position in Africa. The involvement of RUC Cementation Mining when compiling tenders has proven effective, with rapid access development becoming a key part of its service offering to achieve preferred contractor status. Murray & Roberts Cementation is also developing the systems, skills and processes necessary to become the leading trackless mechanised mining contractor in Africa.

In some regions on the continent, the business is partnering with local companies to improve its prospects. Its presence on the continent covers Southern, West and East Africa. The Zambia office is a notable example of the success of the platform's strategy to establish a local presence in target regions. In driving its African expansion, Murray & Roberts Cementation seeks to diversify its exposure into different commodity types, given its current heavy reliance on copper. The business is also focusing on securing further contract mining projects which provide a source of annuity income.

In South Africa, Murray & Roberts Cementation is focusing on improving its risk and commercial management to maintain and enhance project margins, and will leverage expertise from across platform businesses to drive this improvement.

North America has been identified as an attractive region for future growth. Cementation Canada is exploring markets outside its home base in the Ontario Province although progress in establishing a presence through its Quebec office has been slow. This model of establishing provincial bases will be applied in other provinces. Bolt-on project management or engineering-led acquisitive opportunities in the Canada and USA markets are being explored to bolster organic growth in the future.

Cementation USA is now established as one of the USA's leading mining contractors. A new services business, Cementation Above Ground ("Cementation AG"), was established in the year which provides engineering, procurement and construction services for bulk material handling systems to the mining and minerals sectors, as well as other industries. Comprised of four former principals from Roberts & Shaefer and operating out of Salt Lake City, the business was recently awarded its first conveyor system project in the power generation sector.

	AFRICA		AUSTRALASIA		THE AMERICAS		TOTAL	
R MILLIONS	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Revenue	**3 770**	3 111	**830**	699	**2 965**	2 818	**7 565**	6 628
Operating profit	**117**	57	**61**	49	**233**	152	**411**	258
Margin (%)	**3%**	2%	**7%**	7%	**8%**	5%	**5%**	4%
Order book	**11 877**	6 157	**1 812**	556	**3 158**	3 225	**16 847**	9 938
Segment assets	**1 170**	1 060	**620**	636	**1 613**	1 415	**3 403**	3 111
Segment liabilities	**1 064**	987	**119**	127	**596**	637	**1 779**	1 751
People	**5 745**	6 157	**659**	492	**1 168**	1 037	**7 572**	7 686
LTIFR (Fatalities)	**2.25(2)**	2.18(1)	**0.0(0)**	0.97(0)	**1.67(1)**	0.78(0)	**2.00(3)**	1.90(1)

In South America, progress in growing the platform's regional footprint has been slow. The platform will continue to seek opportunities by entering into strategic partnerships through its Santiago office, in collaboration with Cementation Canada.

RUC Cementation Mining continues to expand and promote its mine development service offering, driven by a new brand and market positioning strategy. In light of the sharp slowdown in raise boring work in Australia, the business is actively exploring opportunities to expand its offering into the Asia Pacific region, with projects underway in Indonesia, New Zealand and the Philippines.

Daniël Grobler was appointed as managing director of Murray & Roberts Cementation, succeeding Chris Sheppard who resigned to pursue other opportunities. Daniël was the chief financial officer of the Underground Mining platform for the past two years.

Leadership development remains a priority in line with the Group's Talent Management Framework. Talent reviews were conducted to assess the bench strength for leadership and senior management succession. Developmental plans are in place to ensure the platform's leadership is empowered to deliver on its strategic objectives.

Transformation and diversity remain key focus areas in the South African operation with the emphasis on improving its BBBEE rating from Level 4 to Level 3 in FY2016.

RELATIONSHIP

The ability to leverage the respective strengths of the platform's individual operations through ongoing collaboration provides competitive advantage. The mechanised mining skills and expertise of our Australian operations continue to be used to complement the South African operation's capabilities as and when required, with several large tenders submitted involving input from both businesses, which are awaiting adjudication.

The platform's "life-of-mine" strategy, which is to work with clients to provide a service over an extended period of time, is a key component underpinning platform performance.

Maintaining good relationships with employees can contribute significantly to project performance. Specific components of the Group-wide Employee Relations Framework were rolled out in the South African operations during the year. The framework aims to understand and address issues that inhibit performance within the operations, and issues that influence morale and organisational culture.

The shortage of engineering and technical skills in South Africa continues to be a major concern, as is the mobility of skilled staff between employers. To address this, Murray & Roberts Cementation is focusing on retention, skills development and establishing a strong succession pipeline. It also participates in the annual Deloitte Best Company to Work For Survey to understand and implement what is required to qualify as an employer of choice.

Cementation Canada has been recognised six times as one of Canada's Top 100 Employers by Mediacorp, and twice as one of The Financial Post's Ten Best Companies to Work For.

Skills development is undertaken through the platform's world-class training facility at Bentley Park, Carletonville. The facility is ISO 9001, ISO 14001 and OHSAS 18001 certified, and is accredited by the Mining Qualifications Authority to provide training in engineering, mineral extraction and occupational health and safety and to offer Adult Basic Education and Training.

OPERATIONAL

Murray & Roberts Cementation progressed its Africa strategy through its Kitwe office in Zambia, strengthening its presence in the region and providing a springboard into sub-Saharan Africa. Shaft sinking and equipping at Mopani Copper's Synclinorium and Mufulira operations progressed well, however the contract at Lubambe was ended as the client decided to pursue the owner-operator route. In South Africa, the award of the Booysendal and Kalagadi Manganese contract mining projects substantially improved Murray & Roberts Cementation's order book.

Market conditions in Australia remained tough, particularly for large-diameter raise boring work. Positive developments included a significant increase in the scope of work at the Freeport project in Indonesia, and the awards of the Saracen Minerals Karari mine development and Xstrata's Lady Loretta shaft sinking projects. In FY2014, it was reported that operations at Oyu Tolgoi in Mongolia where RUC Cementation Mining was active, were temporarily curtailed. In June 2015, Rio Tinto announced plans to proceed with the construction of the underground section of the A$5,4 billion Oyu Tolgoi copper and gold mine, which presents a significant opportunity for the business in the year ahead.

Despite a slow market, Cementation Canada demonstrated the value of its engineering capability and project delivery track record by securing the R1,2 billion Compass Minerals Goderich shaft rehabilitation project. In addition, a major shaft sinking project for KGHM at their Victoria Mine in Sudbury was secured, the scope and commercial terms of which are being finalised. Cementation Canada continued to make inroads into the European market with engineering-led projects including Sirius Minerals' York Potash mine which in future may lead to downstream construction work opportunities. Cementation USA continued to perform well at Lundin's Eagle mine and Rio Tinto's Kennecott mine where the platform's "life-of-mine" strategy is proving successful.

As a wholly owned subsidiary following the buy-out of a minority Chilean partner, Cementation Sudamérica successfully completed two raise boring contracts in Chile, but struggled to secure further significant work. In conjunction with Cementation Canada it has established two joint ventures to enable it to bid on larger projects in the region, with Auraco-Bescalo in Chile and Stracon GyM in Peru.

THE PLATFORM'S "LIFE-OF-MINE" STRATEGY IS A KEY COMPONENT UNDERPINNING ITS PERFORMANCE

RISK

Regrettably, three fatalities were recorded during the year: Brian Sikate, Brian Holmes, and Petrus Greyling, who sustained fatal injuries at the Impumelelo (South Africa), Leeville (Nevada) and Synclinorium (Zambia) projects respectively. Murray & Roberts has extended its condolences to the families of the deceased.

The platform fully subscribes to the Group's Health, Safety and Environment Framework, measuring its safety performance by focusing on both lag and lead indicators. LTIFR at year end was 2.0, a slight deterioration on the previous year's record-low of 1.9. Cementation Canada and RUC Cementation Mining achieved 14 months and 23 months respectively without a LTI. The platform seeks to address the difference in safety performance between its South African and international operations by identifying and sharing best practices across the platform.

Murray & Roberts Cementation, Cementation Canada and RUC Cementation Mining are OHSAS 18001 accredited. Murray & Roberts Cementation also maintained its ISO 9001 and 14001 accreditations during the year. Accreditation for Cementation Canada (ISO 14001), and RUC Cementation Mining (ISO 9001 and 14001) is on track for the first half of FY2016. No environmental issues were reported during the year.

Each business has its own risk register which is reviewed and updated monthly. The platform chief executive officer also reviews the platform's overall risk profile on a quarterly basis for discussion at Murray & Roberts Limited Board level. In South Africa, the lack of specialised contracting and shaft sinking skills which directly impacts the platform's ability to deliver on projects, and the ongoing threat of industrial action, are considered key risk areas.

PROSPECTS

The platform anticipates demand for commodities to increase as it believes the current low demand to be unsustainable. There is a large investment pipeline of underground projects in regions where the platform has a presence. With its global footprint, and the ability to pool and leverage its resources, the platform is well placed to win and execute work for its clients when market conditions improve. Most key commodities are represented in the current portfolio of projects and significant opportunities for organic growth will arise when mining activity picks up. A bolt-on acquisition of a North American business, which provides project management services to the mining and minerals industry, is currently under consideration.

POWER & WATER

"THE PLATFORM IS NOW STRUCTURED AS A PROJECT EXECUTION BUSINESS IN THE POWER AND WATER SECTORS, OFFERING ENGINEERING, PROCUREMENT AND CONSTRUCTION AS WELL AS OPERATIONS AND MAINTENANCE SERVICES. THE PLATFORM'S OFFERINGS ARE SUPPORTED BY ITS EXISTING CAPABILITY, CAPACITY AND EXPERIENCE, COMPLEMENTED BY ITS STRATEGIC PARTNERSHIPS AND JOINT VENTURES."

OVERVIEW

The Power & Water business platform, previously Energy & Industrial, underwent an extensive restructure in the final quarter of FY2015. The rationale for this restructure, considering current market conditions, was to reduce cost and business risk and strengthen its focus on engineering and project delivery in the regional power and water market sectors. The Murray & Roberts Resources & Industrial and Murray & Roberts Electrical & Control Systems businesses have been closed and projects currently under implementation will be completed in the year ahead. The capabilities of these businesses will become a complementary offering to the Power & Water business platform. The restructured platform comprises four businesses: Aquamarine, Genrec Engineering, Murray & Roberts Power & Energy and Murray & Roberts Water.

STEVE HARRISON

Business platform CEO

The platform is now structured as a project execution business in the power and water sectors, offering EPC as well as operations and maintenance services. The platform's offerings are supported by its existing capability, capacity and experience, complemented by its strategic partnerships and joint ventures.

In FY2015, the platform's operating environment was characterised by lower market activity across most sectors and delayed power and water infrastructure projects. However the outlook for power projects is improving, especially after the recent announcement of a number of renewable energy and base load projects in South Africa. Significant infrastructure spend is planned in Africa's main economies, with growing interest in public private partnerships.

The drivers in the water market include growing water scarcity and new environmental regulations. There is greater awareness among companies to reduce water consumption and address industry effluent, such as acid mine drainage. In South Africa, ageing water and waste water treatment infrastructure provides significant scope for operations and maintenance work, given the shortage of specialist skills at municipal level, and the government is exploring the potential of public private partnerships to rehabilitate water infrastructure.

FINANCIAL

A decrease in revenue to R4,2 billion (FY14: R4,8 billion) and a marginally lower order book of R6 billion (FY14: R6,2 billion) was primarily due to lower revenue from the Medupi and Kusile power projects due to phasing of work activity on these projects. The platform recorded a disappointing operating loss for the year of R134 million (FY14: profit R144 million). Profit from the power and water sectors was in line with expectations but was eroded by business development costs incurred to secure new work outside the Eskom power programme, project losses in the two closed businesses and platform restructuring costs. The power programme accounts for 87% of the platform's order book.

The platform will increase profitability and cash flow through improved operational performance and tighter financial management, including further reduction of non-operational overheads and optimisation of working capital management.

LEADERSHIP

The previous Power & Water business platform CEO and CFO left the Group towards the end of the financial year. Steve Harrison and Adrian Plantema, respectively managing director and financial director of Murray & Roberts Power & Energy, have assumed leadership responsibility for the platform, as platform chief executive and chief financial officer.

The platform's strategic focus is to establish itself as a significant player in the regional power and water markets, and it will invest in the necessary skills, capabilities and partnerships required to achieve this objective. It will seek to expand its specialist engineering capabilities and diversify into higher margin value chain segments, particularly in operations and maintenance. Marketing initiatives are being developed to increase its brand profile as an EPC and operations and maintenance contractor in the power and water sectors in Africa.

Project and commercial management excellence is being driven by enhancing EPC and project management capabilities and entrenching project, risk and commercial management practices. The restructure of the platform has refocused and strengthened its project execution capability and functional support and accountability for project success.

The platform's growth strategy is divided into two horizons. In the first two years, the focus will be to secure new work by converting identified opportunities in South Africa into orders, which for Murray & Roberts Power & Energy will come from the renewable energy and independent power producer sectors. Its experience, capacity and capability, gained through its participation in the Medupi and Kusile coal-fired power station projects in South Africa, will be a

	POWER PROGRAMME[1]		**ENGINEERING[2]**		**TOTAL**	
R MILLIONS	**2015**	2014	**2015**	2014	**2015**	2014
Revenue	**3 154**	3 685	**1 084**	1 070	**4 238**	4 755
Operating profit/(loss)	**189**	238	**(323)**	(94)	**(134)**	144
Margin (%)	**6%**	6%	**(30%)**	(9%)	**(3%)**	3%
Order book	**5 194**	5 503	**804**	657	**5 998**	6 160
Segment assets	**845**	1 130	**1 019**	571	**1 864**	1 701
Segment liabilities	**719**	1 111	**469**	327	**1 188**	1 438
People	**4 995**	6 097	**1 279**	1 628	**6 274**	7 725
LTIFR (Fatalities)	**0.36(0)**	0.89(0)	**0.40(0)**	0.44(0)	**0.37(0)**	0.77(0)

1 *Power programme contracts and Genrec Engineering power programme contracts.*

2 *Includes Electrical & Control Systems, Resources & Industrial, Water and Power & Energy non-power programme projects and Genrec Engineering non-power programme contracts.*

competitive advantage to winning new work, and the business has positioned itself with chosen technology companies at the EPC level to secure some of these opportunities. The second horizon is to grow its presence into Africa over the next three to five years.

The platform remains predominantly dependent on its primary power projects, Medupi and Kusile. The renewable energy sector represents the most significant opportunity for the platform to maintain earnings beyond these projects. The platform has made good progress in growing the Murray & Roberts brand in East and West Africa, and continues to pursue opportunities for its water business.

During the year a niche water technology company, Aquamarine, was acquired to facilitate the platform's entry into the equipment and technology supply and operations and maintenance segments of the water value chain. The Aquamarine technology enables modular containerised water filtration treatment solutions. Murray & Roberts' current capability, combined with Aquamarine's equipment design, supply, operations and maintenance skills, will provide the opportunity to access large water treatment project opportunities across the African continent. The development of a technology centre for water and wastewater treatment and desalination is aimed at establishing the platform as a regional leader in the water sector.

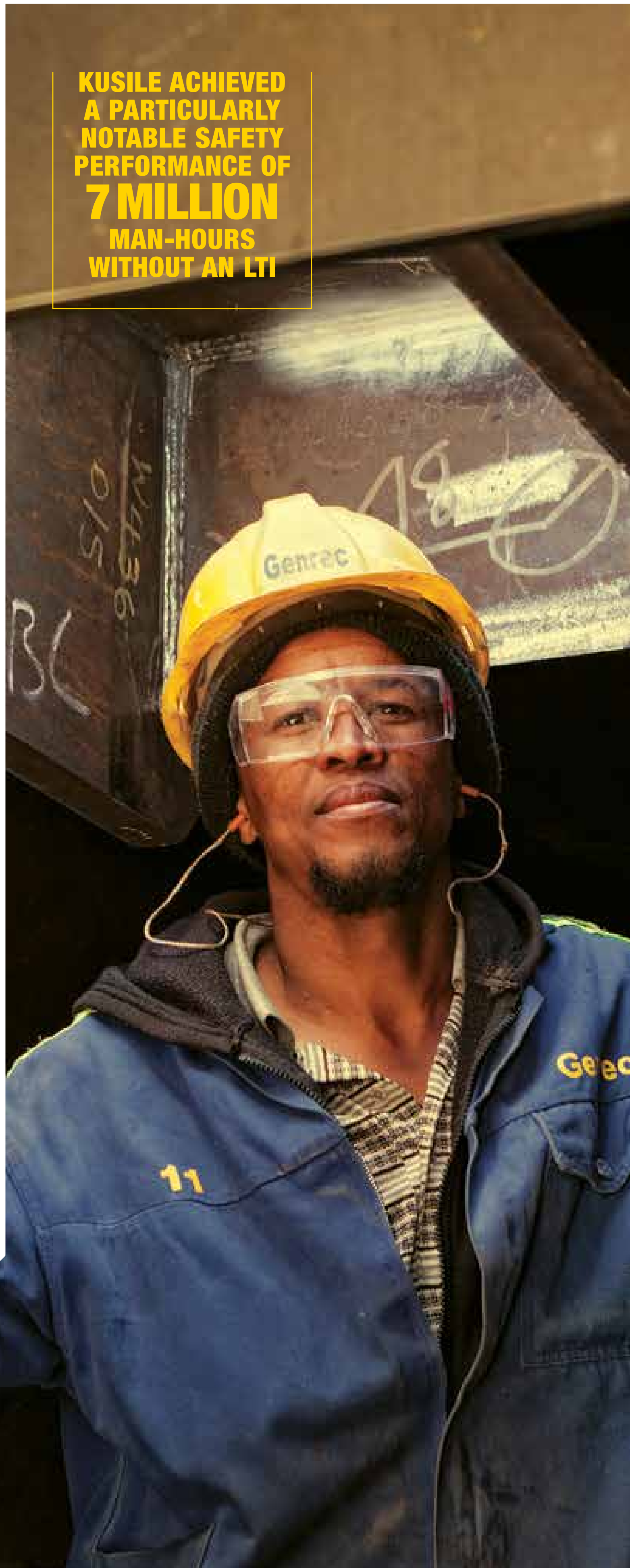
Genrec Engineering is facing very challenging market conditions in South Africa and is working on penetrating the Southern and West African markets by leveraging its existing steel fabrication capabilities in new markets and by expanding its product line. The business is focused on improving its direct marketing and business development capabilities, differentiation through value-added services and establishing strategic supply partnerships.

The employee relations framework, SPQCP (safety, productivity, quality, cost and people) was developed and successfully piloted at Kusile in July 2014 and has developed into the platform's operating model. It sets the direction for measurement, targets and performance improvements, and is being rolled out on all other projects.

RELATIONSHIP

Strategic partnerships and joint ventures are critical to enable the platform to expand its service offering across all project value chain segments. Its joint venture with WorleyParsons in the power sector to provide shut-down and maintenance services is established, and in the water sector the partnership with Hyflux positions the platform to participate in larger desalination and mine water treatment projects. These relationships are yet to translate into material project work.

The platform continues to contribute to the skills base of the local communities surrounding the Medupi and Kusile power projects. Training is provided in line with the strategic staffing needs of the



platform, industry skills needs as set out in the National Skills Development Strategy, Accelerated and Shared Growth Initiative for South Africa ("AsgiSA") imperatives and in accordance with Construction Charter requirements. Primarily, the focus is on artisan training programmes in four trade disciplines (Boilermaker, Fitter, Welder Artisan and Riggers), two occupations (Pipe Fitters and Steel Erections), Class A Welders and Quality Inspectors.

At end June 2015, 756 trainees (FY14: 572) had successfully completed training on the Medupi project, exceeding the platform's contractual obligations. The platform continues to invest in the upskilling of apprentices, with an additional 40 apprentices currently in training at Medupi. At end June 2015, 453 trainees (FY14: 182) had successfully completed their training on the Kusile project. A further 249 apprentices are currently receiving training at Kusile.

In collaboration with the Namibia Training Authority, Murray & Roberts will assist the Namibian Government in developing critical skills to support the country's economic development through internship programmes and on-the-job training opportunities.

The platform continues to engage with trade unions. Numerous meetings and interactions with all the major trade unions were held during the course of the year, including consultations and discussions in an attempt to mitigate the effects of any possible industrial action. Notwithstanding these engagements, unprotected strike action during the year had a notable impact on the Power & Energy (Medupi project) and Genrec Engineering businesses.

OPERATIONAL

During the year, mechanical boiler construction at the Medupi and Kusile power stations continued in terms of the contract with Mitsubishi Hitachi Power Systems Africa. Work was completed on the re-heater and super heater at Kusile boiler 1 and Medupi boiler 5. Medupi boiler 6 successfully synchronised with the national grid and is delivering its designed output of 800MW.

In line with its focus on providing repair, operations and maintenance services to the power market, the platform (through its joint venture with WorleyParsons) undertook planned shutdowns and repairs of industrial boilers in South Africa, Mozambique, Malawi and Swaziland. It successfully completed outages for private power station clients in Southern Africa, and will continue to pursue opportunities directly with Eskom.

The platform continued its involvement in the Ressano Garcia gas-fired power station project in Mozambique and sees significant future potential from more gas-fired power projects. In addition, opportunities for unconventional power projects such as biomass were pursued during the year. A proposal, with partners, was submitted to the Department of Energy ("DoE") as part of the Smalls Renewable programme. If successful, Murray & Roberts will take on a project developer role and the platform will provide the EPC and operations and maintenance services.

During the year, Murray & Roberts Water successfully completed the front-end engineering and design work for a mine water treatment project in Ghana, and provided containerised water filtration units in Kenya. To realise further water opportunities in Africa, the platform will benefit from Aquamarine's sales network in Africa. In South Africa, further water treatment opportunities are anticipated as part of the DoE's power programme.

Genrec Engineering continues to diversify its product line. This includes structural steel and plate work for maintenance shutdowns at power stations. During the year, Genrec Engineering secured seven different repair contracts for the Matimba power station in Limpopo province, which are progressing well. Extending its product line to the mining sector, Genrec Engineering successfully completed repairs on several truck load bodies and dragline buckets.

Disappointingly, there were a few loss-making projects in the Murray & Roberts Resources & Industrial and Murray & Roberts Electrical & Control Systems businesses, which have been closed as part of the platform restructuring. One of these projects will be completed during the new financial year and future losses have been accounted for in the FY2015 results.

RISK

The platform's health and safety performance improved significantly, with LTIFR reducing to 0.37 (FY14: 0.77) which translates to four lost-time injuries during 15 million man-hours worked. Kusile achieved a particularly notable safety performance of 7 million man-hours without an LTI. All businesses are OHSAS 18001 certified.

Key platform risks primarily relate to project execution and new work. Considering the long lead times and delays associated with many public infrastructure projects, the platform is strengthening its engagement with government stakeholders to better understand this risk and to mitigate it to the extent possible. Operational risk relates to successful project execution and several initiatives are underway to improve project delivery, including the new platform management structure following the restructure.

PROSPECTS

Growth potential in sub-Saharan Africa is anticipated to remain strong, together with a marked increase in infrastructure spending across many countries, particularly in water and power infrastructure. Constrained public funding capability will create opportunities for public private partnerships, which will be evaluated on a case-by-case basis. Global economic volatility is likely to lead to larger new projects being delayed, although capital expenditure on infrastructure maintenance should increase.

The DoE's Baseload Coal Independent Power Producer Programme was announced in 2015 and presents significant opportunity, which will be pursued in partnership with key technology vendors. Aquamarine's containerised filtration solutions are highly transportable, providing an opportunity for broader entry into African markets. The platform will also leverage Hyflux's zero liquid discharge technology for opportunities in mine water treatment. Genrec Engineering will continue to pursue market opportunities for fabricated steel in Southern and West Africa.

INFRASTRUCTURE & BUILDING

"THE PLATFORM WILL CONSOLIDATE THE PRACTICES THAT HAVE RESTORED ITS PROFITABILITY OVER THE LAST FEW YEARS, AND FOCUS ON OPERATIONAL EXCELLENCE TO ENSURE IT MAINTAINS PROFITABILITY UNDER DIFFICULT TRADING CONDITIONS."

JEROME GOVENDER

Business platform CEO

OVERVIEW

The platform comprises the following businesses: Murray & Roberts Buildings (Gauteng, Western Cape, Namibia and Botswana); Murray & Roberts Developments (newly-formed); Murray & Roberts Infrastructure (incorporating Roads & Earthworks and Civil Construction); Concor Opencast Mining and Murray & Roberts Middle East. The platform's operations are supported by shared administration and plant services, Murray & Roberts Plant. Results from the Group's concession investments, Murray & Roberts Concessions (Public Private Partnership Investments and Services) and the Gautrain construction BCJV are also reported under this platform.

The South African and Middle East construction markets remained subdued during the year, with excess capacity in the platform's geographic markets together with insufficient workflow contributing to a highly competitive business environment. Accelerated public sector infrastructure investment in South Africa is critically important for recovery in the local construction sector.

FINANCIAL

The executive team managed to bring stability to the platform, which reported a profit for the second consecutive year under challenging economic conditions. Revenue was flat at R7 billion (FY14: R7,2 billion) with an operating profit of R205 million (FY14: R196 million). Excluding results from Murray & Roberts Concessions and BCJV, construction activity contributed R80 million to operating profit. The order book at 30 June 2015 was R7,1 billion (FY14: R8,1 billion) and is of a higher quality than in previous years with a better margin-to-risk balance.

LEADERSHIP

In FY2016 the platform will consolidate the practices that have restored its profitability over the last few years, and focus on operational excellence to ensure it maintains profitability under difficult trading conditions. The platform will also undertake a range of strategic initiatives to update its business model and improve its risk profile, including diversifying deeper into the project value chain by introducing project developments and infrastructure support services into its offering.

A specific initiative currently underway is re-entering the development segment of the project value chain. The platform will focus on commercial, retail, industrial and residential markets in major urban centres, primarily in South Africa but also elsewhere in sub-Saharan Africa, in partnerships with selected property developers.

A significant amount of time has been invested into developing and embedding a culture of operational excellence throughout the platform, to ensure consistency in project outcomes. The measures that have been put in place range from standardised project management training modules to detailed project reviews, covering all aspects of project delivery.

The platform is selectively pursuing opportunities to grow into Africa beyond the Southern African Development Community ("SADC") countries. Entry into the region will be undertaken through partnerships with developers to allow for better risk management. Growth into Africa is expected to make a significant contribution in the medium term.

The continuity of leadership over the last few years was instrumental in the platform returning to profitability. During the period under review, Rodger Herne was appointed managing director of Concor Opencast Mining and Leon Botha was appointed managing director of the newly formed Murray & Roberts Developments.

Talent reviews were conducted and bench strength assessed for executive and senior management succession. Developmental plans were put in place to develop candidates for more senior roles and to ensure that the platform's leadership is equipped to deliver its strategy.

The platform is committed to BBBEE and is a Level 2 contributor. The platform invested significantly in the training and development of employees to support their success in their careers and to ensure good project delivery.

As part of the Group's drive for *Engineered Excellence* and the platform's focus on operational excellence, 70 employees from middle and senior management levels underwent project management training during the year. Additionally, given the volatile labour situation in South Africa, more than 200 foremen and supervisors were trained in effective employee relations.

In Murray & Roberts Buildings, approximately 70% to 80% of project work is subcontracted. In light of this, the company's Enterprise Development Programme provides strong potential for growing small and developing contractors. The extent of this programme spans financial support through direct funding, early payment and preferential credit terms, as well as extensive mentoring. This programme is currently supporting 24 small and developing contractors, which includes providing business management and technical support on an ongoing basis to help build their capability and capacity.

	CONSTRUCTION AFRICA		MARINE[1]		MIDDLE EAST		TOTAL	
R MILLIONS	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Revenue	**6 019**	5 740	**–**	496	**940**	940	**6 959**	7 176
Operating profit/(loss)	**177**	(189)	**–**	302	**28**	83	**205**	196
Margin (%)	**3%**	(3%)	**–**	61%	**3%**	9%	**3%**	3%
Order book	**4 874**	5 881	**–**	125	**2 216**	2 073	**7 090**	8 079
Segment assets	**2 866**	3 172	**–**	432	**2 669**	2 001	**5 535**	5 605
Segment liabilities	**2 458**	2 542	**–**	198	**2 411**	1 988	**4 869**	4 728
People	**6 547**	8 357	**–**	152	**6 552**	5 711	**13 099**	14 220
LTIFR (Fatalities)	**1.18(1)**	0.87(2)	**–**	0(0)	**0.06(0)**	0(0)	**0.58(1)**	0.53(2)

1 *With effect 1 July 2014, Marine is reported under the Oil & Gas platform under Global Marine.*

OPERATIONAL

In FY2015 Murray & Roberts Buildings completed seven shopping centres throughout South Africa and Namibia and has established itself in shopping centre delivery. Considering the tight margins on building work, some of these projects did not yield the expected financial results and the Baywest shopping centre in Port Elizabeth in particular presented challenges.

Murray & Roberts Infrastructure delivered a good operational and financial performance, undertaking roads and civil works projects throughout South Africa. Opportunities for roads projects are currently more favourable than major civil works projects given the low volume of both public and private sector investment in civil construction. The business is participating in renewable energy projects and after having successfully delivered the civil subcontractor work on three wind farms, it has been awarded the civil subcontract work on three additional wind farms, which have recently achieved financial close.

Concor Opencast Mining has delivered an acceptable operational performance but faces a constrained market environment with limited new prospects. The Lonmin opencast mining contract is running at a loss and will be completed within the first half of FY2016. Future losses have been accounted for and an arbitration process is underway to achieve resolution on substantial claims in dispute.

Murray & Roberts Middle East's Tech 4 Building project in Qatar, involving the design and construction of Phase 2 of the technology and workshop facility campus for the Qatar Foundation for Education, Science and Community Development, is progressing well and a new hotel project was secured in Oman. The Mafraq Hospital project in Abu Dhabi has been particularly challenging. The business is focusing on securing small to medium size projects, which is a departure from its previous approach to concentrate on large projects.

During the year the platform cautiously re-entered the residential property market with two developments in progress and is targeting similar opportunities to leverage its existing skills for better margins.

RELATIONSHIP

The platform is party to the Bargaining Council for the Civil Engineering Industry ("BCCEI"). Following a sector wage agreement in 2013, the sector has been relatively stable in terms of industrial relations. The sector has however been affected by industry-related strikes, such as those in the platinum and metal industry sectors.

Relations between the construction sector and the South African government remain strained given the government's criticism of the sector's transformation progress, notwithstanding that most of the larger companies in this sector are Level 2 contributors in terms of the BBBEE sector code. An initiative is underway, through the South African Federation of Civil Engineering Contractors, to engage with government in an attempt to rebuild this relationship.

The platform rated well in the Deloitte Best Company to Work For Survey. The survey highlighted two issues of concern for our employees: remuneration and career development. Action plans were developed and implemented to address these concerns, ranging from remuneration benchmarking to targeted training and development programmes.

RISK

Regrettably, a subcontractor employee, Nqhilifilua Mumbala, was fatally injured while on duty when he fell from an elevated platform at The Grove Shopping Mall project in Namibia on 1 September 2014. We have extended our condolences and provided assistance to the family of the deceased.

The platform's LTIFR was 0.58 (FY14: 0.53). This is a commendable achievement in the sector.

As part of the Group standard, all businesses in the platform are OHSAS 18001, ISO 9000 and ISO 14001 certified.

The platform risk committee met several times during the year to consider platform-specific risks and mitigation plans. This includes risks associated with tenders for submission and monitoring progress on challenging projects. Various commercial resolutions on legacy projects have been achieved, of which the resolution of unresolved matters between Eskom and the Medupi Civils Joint Venture was the most pertinent.

PROSPECTS

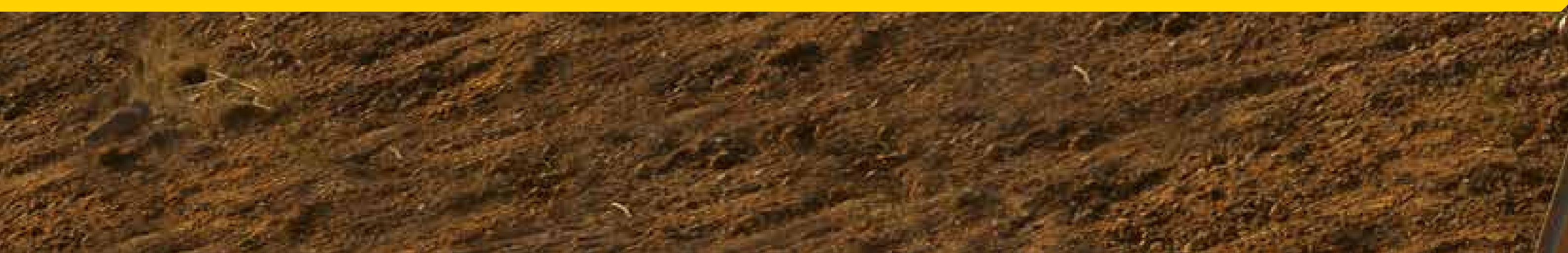
The platform is largely dependent on work in South Africa, and is positioned to maintain revenue levels in a soft construction market. Meaningful growth will depend on securing greater market share and higher government and private sector investment in infrastructure development. The economic viability of the intended nuclear programme has been questioned, but will provide significant opportunity for the local construction sector if undertaken.

The Namibian and Botswana building markets have slowed and opportunities are being pursued in the civils sector. GDP growth in the Middle East is subdued compared to previous years, but investment is expected to proceed, particularly in the transport, energy and utilities sectors. Building activity in the Middle East remains modest.

The platform has managed to improve the quality of its order book in a market where general conditions remain highly competitive with low profit margins. To mitigate against the risk of low margins and business cyclicality, the platform will pursue select opportunities in the upstream and downstream segments of the project value chain. This will be achieved through negotiated building projects outside South Africa.

The platform is established as a leader in the implementation of civil infrastructure work on wind farms, with a number of projects completed, under construction or under adjudication. Several opencast mining opportunities have been identified in South Africa and elsewhere in Africa, although these are yet to come to market.

Further developments in the residential property market will be pursued judiciously.



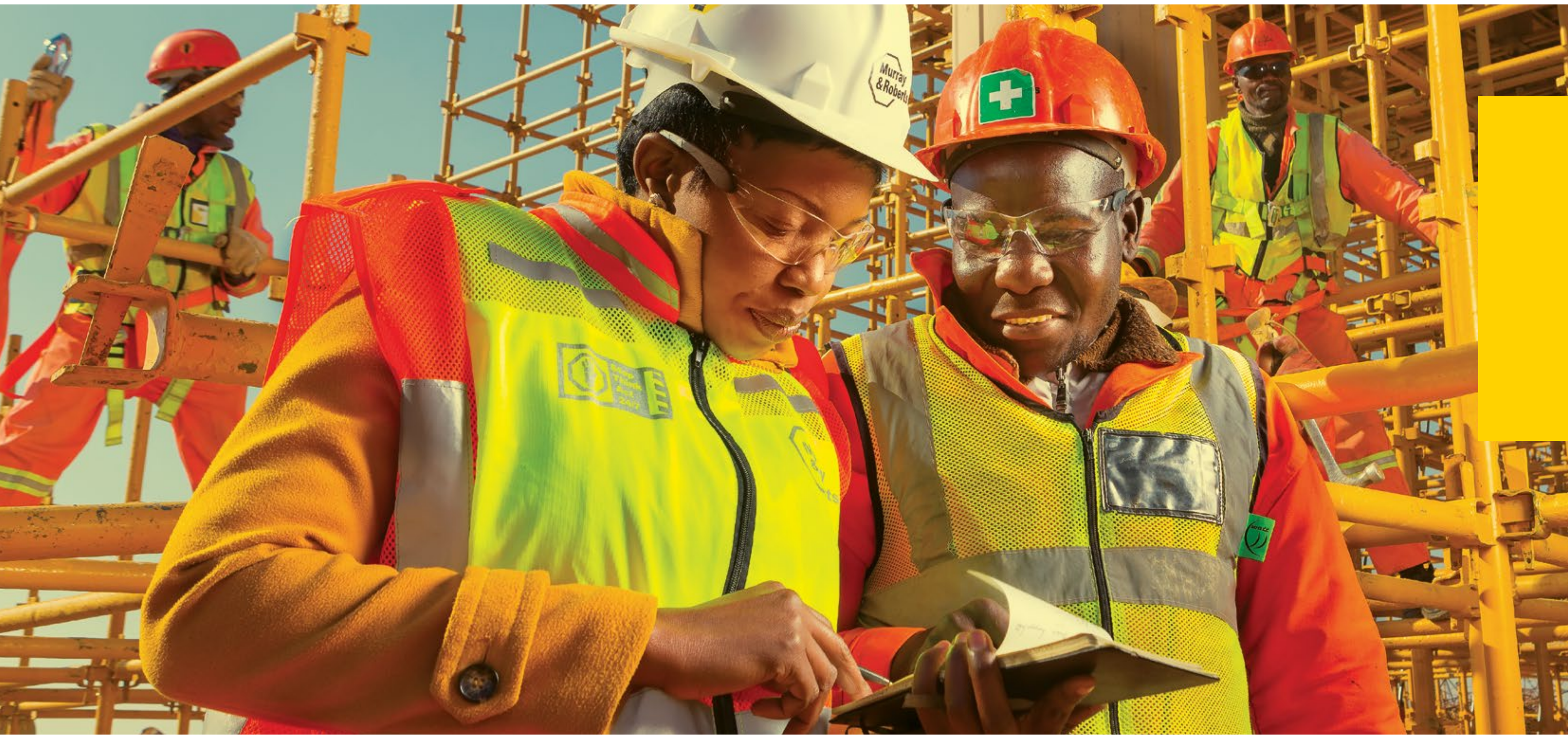
A SIGNIFICANT AMOUNT OF TIME HAS BEEN INVESTED INTO DEVELOPING AND EMBEDDING A CULTURE OF OPERATIONAL EXCELLENCE

04

GOVERNANCE, RISK & REMUNERATION REPORTS

"THE GROUP STRIVES TO ACHIEVE THE HIGHEST STANDARDS OF BUSINESS INTEGRITY, ETHICS AND CORPORATE GOVERNANCE IN ITS PURSUIT OF ITS STRATEGIC AND BUSINESS OBJECTIVES."

GOVERNANCE REPORT



STATEMENT OF COMMITMENT

The Board continues to lead the Group in striving to achieve the highest standards of business integrity, ethics and corporate governance, in the pursuit of its strategic and business objectives. The Board also encourages the executive team to conduct the business of the Group with prudence, transparency, integrity and accountability.

The Board has continued on its journey of achieving and exceeding the requirements of King III. The Group complies with all 75 principles of King III.

The full table of King III Governance Principles, showing the level of Group compliance, is available online at **www.murrob.com**.

BOARD OF DIRECTORS

At the date of this report, Murray & Roberts had a unitary Board with ten directors, of whom eight are independent non-executive directors and two are executive directors. The composition of the Board promotes a balance of authority and prevents any one director from exercising undue influence over decision-making.

The Board is the Group's highest governing authority and has ultimate responsibility for corporate governance across the Group. It appreciates that strategy, risk, performance and sustainability are interdependent and the Board is responsible for approving the strategic direction of the Group, which addresses and integrates each of these elements. The Board is governed by a charter ("the Board Charter") that sets out its accountability, responsibility and duty to the Group through the Company.

Each member of the Board has a fiduciary duty to act in the best interests of the Company and, in discharging such duty, ensures that the Company performs in the best interests of its stakeholders. The Company's key stakeholders include its shareholders, clients, partners, employees, regulators and the societies in which it operates.

THE BOARD'S KEY RESPONSIBILITIES IN TERMS OF THE BOARD CHARTER INCLUDE:

- Providing ethical leadership and direction to the Group in all matters;
- Approving and monitoring the implementation of the strategic plan developed by management;
- Responsibility for risk governance and monitoring key risk areas;
- Responsibility for the governance of IT;
- Directing the commercial and economic fortunes of the Group;
- Ensuring the Group is a responsible corporate citizen by considering the impact of its business operations on its employees, society and the environment;
- Monitoring that the Group complies with all relevant laws, rules, codes and standards of business practice through a Compliance Framework;
- Monitoring that the Group's communications with all relevant stakeholders are open and prompt;
- Ensuring shareholders are treated equitably and equally;
- Ensuring that disputes are resolved effectively and expeditiously; and
- Monitoring performance through the various Board committees established to assist in the discharging of its duties while retaining full accountability and without abdicating its own responsibilities.

"THE BOARD IS THE GROUP'S HIGHEST GOVERNING AUTHORITY AND HAS ULTIMATE RESPONSIBILITY FOR CORPORATE GOVERNANCE ACROSS THE GROUP. IT APPRECIATES THAT STRATEGY, RISK, PERFORMANCE AND SUSTAINABILITY ARE INTERDEPENDENT AND THE BOARD IS RESPONSIBLE FOR APPROVING THE STRATEGIC DIRECTION OF THE GROUP, WHICH ADDRESSES AND INTEGRATES EACH OF THESE ELEMENTS."

Directors are required to act with due care and skill in all dealings and to uphold the ethics and values of the Group. The Board is required to adhere to agreed standards of accepted behaviour and guidance on decision-making, which promotes integration and coordination, and reaffirms the commitment of each Board member to the Group.

The independent non-executive directors complement the executive directors through the diverse range of skills and experience they bring to bear. They also provide the Board with independent perspectives on corporate governance and strategy as a whole.

There is an agreed procedure for directors to seek professional independent advice at the Company's expense when they feel the need to seek such advice.

BOARD MEETINGS

The Board formally meets five times a year. In addition, directors meet ahead of the scheduled meeting at which the Group's budget and business plan is examined in the context of an approved strategy. At this meeting, the directors engage with senior executives on the development and implementation of the Group's strategy. Between meetings directors are kept informed, by the Group chief executive, of major developments affecting the Group.

The Board's policy of visiting areas of the Group's operations on an annual basis has continued. During the year under review, the Board visited the De Beers Venetia project in Limpopo, South Africa.

SELECTION OF DIRECTORS

The Board has an approved policy on the selection and continuation of office for directors, and the nomination and evaluation processes to be followed. One third of all directors are required to retire annually by rotation and if put forward for re-election, are considered for reappointment at the annual general meeting. All directors are appointed at the annual general meeting by shareholders' resolution. The Board is permitted to remove a director without shareholder approval for due cause.

The nomination committee makes appropriate recommendations to the Board on the appointment and re-election of directors. This process encompasses an annual evaluation of skills, knowledge and experience, considers South African transformation imperatives and ensures the retention of directors with an extensive understanding of the Group. All recommended director appointments are subject to background and reference checks. Re-election of directors to the Board is made according to a formal and transparent process. Each non-executive director is provided with a formal letter of appointment.

Newly appointed non-executive directors undergo an induction process to familiarise them with the Group. This includes extensive meetings and discussions with Group management.

The Board, assisted by the nomination committee, assessed the independence of the non-executive directors. All non-executive directors meet the criteria for independence, including Michael McMahon who has served on the Board since 2004 and Royden Vice who has served on the Board since 2005. The Board confirmed that it is satisfied that there are no relationships or circumstances which affect or appear to affect their judgement and that their independence is not in any way affected by their respective lengths of service.

CHANGES TO THE BOARD

During the year under review, Ralph Havenstein joined the Board on 1 August 2014. Ralph was appointed to the health, safety & environment committee and to the social & ethics committee. Subsequent to year end, Suresh Kana joined the Board on 1 July 2015 and was appointed to the audit & sustainability, remuneration & human resources and risk management committees. Xolani Mkhwanazi joined the Board on 1 August 2015 and was appointed to the risk management and health, safety & environment committees. Michael McMahon stepped down from the health, safety & environment and the remuneration & human resources committees during the year, but continues to serve as chairman of the risk management committee and is a member of the nomination and audit & sustainability committees. Bill Nairn retired from the Board with effect from 1 January 2015.

CHAIRMAN AND GROUP CHIEF EXECUTIVE

The roles of chairman and Group chief executive are separate. They operate under distinct mandates issued and approved by the Board that clearly differentiate the division of responsibilities within the Group and ensure a balance of power and authority.

The chairman, an independent non-executive director, presides over the Board, providing it with effective leadership and ensuring that all relevant information is placed before it for decision. The Group chief executive is responsible for the ongoing operations of the Group, developing its long-term strategy, and recommending the business plan and budgets to the Board for consideration and approval.

The Board appoints the chairman and the Group chief executive. The Board appraises and appoints the chairman annually and the remuneration & human resources committee appraises the Group chief executive annually. This committee also assesses the remuneration of the Board, and of the chairman and the Group chief executive. The nomination committee is responsible for Board succession planning.

GROUP SECRETARY

Bert Kok is the company secretary, and is responsible for ensuring the proper administration of the Board and that sound corporate governance procedures are followed. All directors have access to the advice and services of the company secretary and have full and timely access to information that may be relevant for the proper discharge of their duties.

The Board evaluates the competency and effectiveness of the company secretary, as required in terms of the JSE Listings Requirements. The evaluation process includes an assessment of the company secretary's eligibility, skills, knowledge and execution of duties. The Board has considered and is satisfied that the company secretary is competent and has the requisite qualifications and experience to effectively execute his duties. Bert has more than 10 years' experience as a company secretary in a listed company environment. He was previously a director of Chartered Secretaries Southern Africa and its past president in 2010.

The Board confirms that the company secretary maintains an arm's length relationship with the Board and the directors, noting that the company secretary is not a director of the Company and is not related to any of the directors. The company secretary is independent from management and does not have executive duties and responsibilities, aside from the core responsibilities of a company secretary. He is not a material shareholder of Murray & Roberts and is not party to any major contractual relationship with Murray & Roberts.

BOARD COMMITTEES

The Board has established and mandated a number of permanent standing committees to perform specific work on its behalf in various key areas affecting the business of the Group. They are the:

- Executive committee
- Audit & sustainability committee
- Health, safety & environment committee
- Nomination committee
- Remuneration & human resources committee
- Risk management committee
- Social & ethics committee.

Shareholders elect the members of the audit & sustainability committee at each annual general meeting. The audit & sustainability committee still forms part of the unitary Board even though it has statutory duties over and above the responsibilities set out in its terms of reference.

Although all the committees assist the Board in the discharge of its duties and responsibilities, the Board does not abdicate its responsibilities. The Board and each committee give attention to new and existing governance and compliance matters according to their respective mandates.

Each committee operates according to Board-approved terms of reference, which are reviewed annually and updated where necessary. With the exception of the executive committee, an independent non-executive director chairs each committee. The committee chairmen are appointed by the Board.

Each committee chairman participates fully in setting the committee agenda and reporting back to the Board at the following Board meeting. As mandated by the individual committee's terms of reference, each committee chairman attends the annual general meeting and is available to respond to shareholder questions on committee activities.

BOARD AND COMMITTEE EFFECTIVENESS

Self-assessment questionnaires on the effectiveness of the Board, its committees and individual directors were conducted during the year. An internal appraisal of the chairman was led by the chairman of the remuneration & human resources committee and discussed by the Board. The appraisals were positive and their recommendations are being followed through for implementation.

The main finding of the Board evaluations was that the Board requires reinforcement with additional members, partly due to upcoming retirements. This has now been addressed by the appointments of Suresh Kana and Xolani Mkhwanazi.

EXECUTIVE COMMITTEE

The directors of Murray & Roberts Limited serve as members of the executive committee of the Board, which is chaired by the Group chief executive. The directors of Murray & Roberts Limited support the Group chief executive in:

- Implementing the strategies and policies of the Group;
- Managing the business and operations of the Group;
- Prioritising the allocation of capital, technical know-how and human resources;
- Establishing best management practices and functional standards;
- Approving and monitoring the appointment of senior management; and
- Fulfilling any activity or power delegated to the executive committee by the Board that conforms with the Company's memorandum of incorporation.

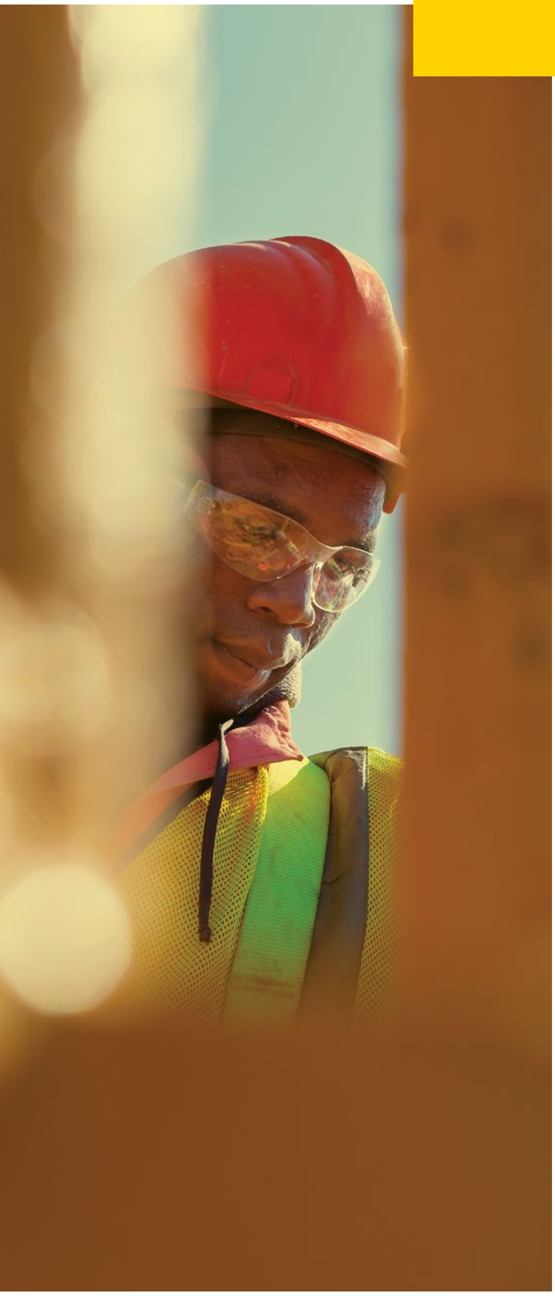
RISK MANAGEMENT, SYSTEMS OF CONTROL AND INTERNAL AUDIT

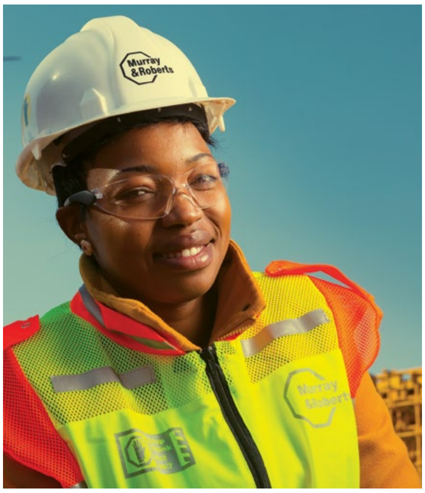
Details of the Group's risk management process, systems of control and internal audit are set out in the risk report on page 64.

CONFLICTS OF INTEREST AND SHARE DEALINGS

Directors are aware that when a matter is considered by the Board in which they individually have a direct or indirect interest, this interest is to be disclosed prior to the Board meeting. These disclosures are noted by the Board when necessary, and recorded in the minutes of the Board meeting.

> "THE MAIN FINDING OF THE BOARD EVALUATIONS WAS THAT THE BOARD REQUIRES REINFORCEMENT WITH ADDITIONAL MEMBERS, PARTLY DUE TO UPCOMING RETIREMENTS. THIS HAS NOW BEEN ADDRESSED BY THE APPOINTMENTS OF SURESH KANA AND XOLANI MKHWANAZI."





In accordance with the JSE Listings Requirements, the Group has a policy requiring directors and officers who may have access to price-sensitive information, to be precluded from dealing in the Group's shares, as well as during closed periods. Such closed periods commence from the end of December until the release of the Group's interim results in February of each year and from the end of June until the release of the Group's annual results in August of each year.

To ensure that dealings are not carried out at a time when other price-sensitive information may be known, directors, officers and participants in the share incentive scheme must at all times obtain permission from the chairman, Group chief executive or Group financial director, as the case may be, before dealing in the shares of the Group. The Company secretary is notified of any share dealings and, in conjunction with the corporate sponsor, publishes the details of dealings in the Group's shares by directors and officers that have been approved on the Stock Exchange News Service of the JSE Limited.

SPONSOR

In terms of the JSE Listings Requirements, Deutsche Securities (SA) Proprietary Limited acted as sponsor.

www.murrob.com // Board committee reports and record of attendance.

RISK MANAGEMENT REPORT

GROUP INTEGRATED ASSURANCE FRAMEWORK

THE GROUP INTEGRATED ASSURANCE FRAMEWORK COORDINATES THE GROUP'S OVERALL APPROACH TO RISK MANAGEMENT.

This entails identifying, assessing, addressing, monitoring, communicating and reporting Group risk, and includes the process of independently auditing adherence to and implementation of Group policies, standards, plans, procedures, practices, systems, controls and activities to ensure that the Group achieves the level of operational efficiency and compliance required by the Board.

The Board-approved Group Integrated Assurance Policy establishes and mandates the risk management, regulatory compliance and internal audit functions; effectively as the following three pillars of the Group Integrated Assurance Framework.

RISK MANAGEMENT	REGULATORY COMPLIANCE	INTERNAL AUDIT
• STRATEGIC	• LAWS	• GOVERNANCE
• CORPORATE	• RULES	• CONTROL
• OPERATIONAL	• CODES	• RISK
• PROJECT	• STANDARDS	• ENVIRONMENT

GOVERNANCE STRUCTURE

METHODOLOGIES

SYSTEMS OF CONTROL

IMPLEMENTATION PLANS

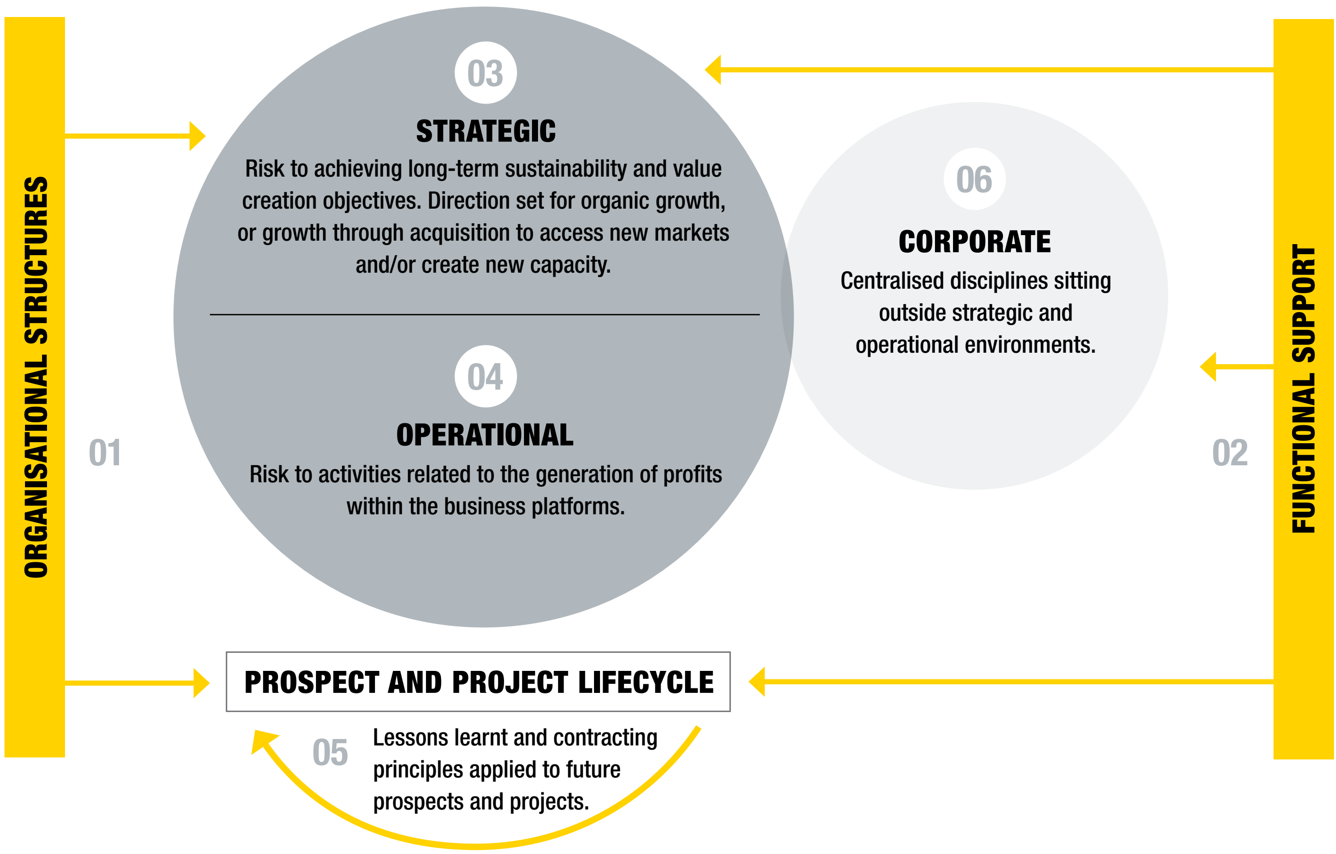
RISK MANAGEMENT

A high level of risk awareness and response has been embedded in daily management and operational activities. Given the size and complexity of the Group, Murray & Roberts acknowledges that risk can never be fully eliminated. For this reason, management has designed and implemented a planned and structured approach to identify, assess, address, monitor, communicate and report the Group's large and complex risks. This includes governance structures (such as the Board risk management committee, the executive committee and the business platform risk committees), organisational leadership, strategic planning and effective management to ensure that the appropriate operational and functional capacities, as well as controls, systems and processes are in place to manage risk. Underpinning this is the Group Integrated Assurance Framework.

The Group Risk Management Framework constitutes one of three pillars on which the Group Integrated Assurance Framework stands, and aims to:

- Align strategy with risk tolerance;
- Improve and streamline decision-making which improves the Group risk profile;
- Promote the strategic, informed and coordinated procurement of a quality order book;
- Ensure equitable commercial terms and conditions are contracted, together with the rational pursuit of commercial entitlement;
- Promote early and rigorous project reviews, and timeous response to projects showing signs of distress;
- Promote continuous improvement through the application of key lessons learnt;
- Reduce operational surprises, improve predictability and build shareholder confidence;
- Build robust organisational risk structures and facilitate timeous interventions, to promote long-term sustainable growth; and
- Promote the efficient and proactive pursuit of opportunities.

THE GROUP RISK MANAGEMENT FRAMEWORK



01 ORGANISATIONAL STRUCTURES

In addition to the various Group operating board responsibilities, organisational structures have been created and tasked with risk governance and include the business platform risk committees, the Murray & Roberts Limited risk committee and the Murray & Roberts Limited project oversight committee.

02 FUNCTIONAL SUPPORT

Dedicated risk management support has been created at Group level and within businesses. This includes enterprise-wide risk leadership, risk management monitoring, risk-based auditing and operational and risk committees.

03 STRATEGIC RISK MANAGEMENT

Strategic risk is evaluated as a hurdle to achieving the Group's long-term strategy. Direction is set for organic and acquisitive growth to access new markets and create new capacity, and is also applied to acquisitions, disposals, new business development and timely and necessary leadership intervention.

04 OPERATIONAL RISK MANAGEMENT

Operational risk is a potential barrier to achieving planned profits within the Group's business platforms.

05 PROJECT RISK MANAGEMENT

Project risk is evaluated as a potential barrier to delivering contracted scopes against cost, time and technical performance targets, while maintaining health, safety and environmental performance at acceptable levels. A Project Management Framework sets the minimum standard for project management required in the delivery of projects across the Group. A Project Management Development Programme is in place to enhance and hone project management skills across the Group. The framework also provides internal audit with a consistent set of processes and controls against which project performance is tested. Project risk management activities include the Group risk tolerance filters, lessons learnt and contracting principles schedules, project reviews and project dashboards.

06 CORPORATE RISK MANAGEMENT

Corporate risk management relates to a range of portfolios within the Corporate Office which address various forms of risk including risk management standards and procedures, the Statement of Business Principles, Group Code of Conduct, regulatory compliance, commercial and legal oversight, integrated assurance, business continuity and information technology disaster recovery, treasury, bonds and guarantees, insurance, crisis communication and forensic investigations.

RISK MANAGEMENT REPORT CONTINUED

REGULATORY COMPLIANCE

With the continued growth and expansion of the Group, especially in new geographies and disciplines, regulatory compliance is a large and complex area to understand. This in turn requires a structured approach to evaluate compliance failures and ensure adequate responses are initiated timeously to mitigate and avoid any negative impact on the Group's performance. The regulatory compliance function provides specific focus on regulatory compliance risk within the context of the Group Integrated Assurance Framework.

The key imperative of regulatory compliance is to ensure material compliance across the Group with every law, rule, code and standard where non-compliance could materially impact the Group's performance and/or continued existence, whether from a financial, legal or reputational perspective.

The implementation of the Group Regulatory Compliance Framework focuses on the seamless integration of regulatory compliance (with risk management and internal audit) into business planning, execution and management.

INTERNAL AUDIT

Internal audit is a key element of the Group's assurance structure, and constitutes the third pillar of the Group Integrated Assurance Framework. Internal audit has established a robust, risk-based approach to identify the critical risk management control environment which is relied on by management, and which is to be tested and evaluated for the purposes of providing the Board with the risk management and regulatory compliance assurance it requires to meet its governance objectives. Internal audit follows a planning and execution process through which the risk-based approach is delivered in a consistent manner, followed by detailed reporting and issue tracking.

It is through diligent implementation of the Group Integrated Assurance Framework that the critical risk processes and responses to be included in the internal audit plan are developed. These include interactions with the Group risk manager and the Group legal executive, and with specific reference to their respective mitigation objectives, strategies and plans. The audit plan also encompasses the assessment of Group-wide corporate governance, internal financial controls and risk management procedures, as well as specific areas highlighted by the audit & sustainability committee, Group executive committee and by executive and operational management for separate and dedicated review.

RISK MANAGEMENT PRACTICES

Leaders, tasked with overall governance but who are not involved in the engine room of the business they govern, require line-of-sight to the mechanics for which they are ultimately accountable.

So too in the case of risk management, the Board is responsible for the performance of the Group it governs, but is remote from the details that influence (positively or negatively) the outcomes. For this reason, leadership requires line-of-sight to the controls, procedures, processes and systems that deliver the outcomes to ensure that they are appropriate, complete, robust and timeous in application.

The Group has defined four discrete risk environments, being: Strategic, Corporate, Operational and Project. Each risk has a specific owner, be it a business platform, operating board or an individual executive.

In addition, the risk management and internal audit functions, located in the Corporate Office (and which advise on risk management approaches, methodologies and systems), monitor that risk management is diligently exercised at every level across the Group, and in turn separately report to various constituted boards and forums on both the inherent risk and the residual risk across the Group. This reporting is on a materiality basis, so the higher the level of authority, the greater the level of risk filtration.

As a project-based company, the predominant source of risk is in the project area. Murray & Roberts is an international contractor and contracting on a variety of projects, which differ in specification, scope and size, introduces significant risk into the Group.

To reduce project risk as far as possible, the following procedures are strictly followed:

- Only competent and experienced executives prepare bids for submission.
- All opportunities are logged on the Opportunity Management System, which tracks and processes opportunities, subjecting them to a series of risk tolerance filters. These filters are in turn extracted from the delegation of authority matrix, which is approved by the Board.
- In preparing bids, based on first principles and on a bottom-up basis, the estimating tools used across the Group are proven and validated. The costing process is comprehensive, and subject to rigorous and independent internal review.
- Risks are identified based on past experience and carved out contractually or priced and then managed within budget.
- Critical bid requirements are: the exclusion and/or pricing of known risks; projects must be cash positive; unacceptable risks and unusual contracting terms are prohibited; and liability is always limited.
- Prices are usually based on a Bill of Quantities and where a lump sum project is accepted, the design must be mature, the scope clear and an efficient mechanism for change management and dispute resolution must be included in the contract.
- An allowance for contingencies (unforeseen or unplanned risks) is added to the bid price to cater for possible risks (threats) that cannot be proactively priced and managed. They are a hedge against risk and are utilised within the framework for which they are established. They are under the control of the project director and the use of a contingency is ratified by the project review committee.
- Generally known suites of contracts are used, such as FIDIC, NEC, JBCC, GCC, and specific attention is placed on the special terms. Bespoke contracts are negotiated based on the detailed guidance of internal and external attorneys.
- Large and complex project bids are subject to independent review and approval by the Murray & Roberts Limited risk committee, which issues a mandate that has to be followed by the project negotiation team. Projects above US$300 million are escalated to the Murray & Roberts Holdings risk management committee for attention. Any deviation from a mandate is referred back to the relevant risk committee for a final decision.
- The designated executive, identified to lead the project, signs off on the final bid terms and conditions to achieve effective ownership.
- The Murray & Roberts project oversight committee reviews large and complex projects to ensure performance is in line with the tendered terms and prevailing circumstances (to recognise changes in market conditions). Projects showing signs of distress are also reviewed by this committee, but the objective of the committee is to avoid projects entering into distress by identifying early signs of difficulty and ensuring corrective action is initiated.

To further mitigate project risk, Murray & Roberts has developed a Project Management Framework. A formal bespoke Project Management Development Programme is in place to train project managers/executives in the discipline of project management. Candidates are appropriately certificated on successful completion of the programme.

Critical to the preparation of bids and successful project delivery is the application of two standards to each bid based on the costly lessons learnt by the Group in the past:

- Group Schedule of Contracting Principles
- Group Schedule of Lessons Learnt.

All bids submitted are tested against the above two standards to ensure that the identified risks are correctly addressed.

The four business platforms, which comprise the Murray & Roberts Group's project businesses, are also the source of operational risk. Risk exposures typically relate to infringement of laws (including Competition Laws) and human (safety), environmental, commercial, technical and logistical activities. Each business platform has its own risk committee at which these and project risks are regularly reviewed and assessed, together with responsible management's mitigation actions.

Strategic and corporate risks are associated with the activities of the office of the Group chief executive and the executive committee members operating in the Corporate Office. Risks associated with macro factors, growth (organic and acquisitive), new markets, new products, accounting, taxation, banking/bonding, funds transfers and the like are managed within the Corporate Office, reviewed by the risk committee quarterly and reported to Murray & Roberts Limited and Murray & Roberts Holdings Limited.

A Group Business Continuity standard and procedure has been formulated and is currently being implemented within each business platform.

The practice of risk management has been widely implemented across the Group. Embedding of risk management is being driven by executive management. As a final control over the management of risk across the Group, every Group area and activity is subject to audit, by both external auditors and internal auditors. The Murray & Roberts internal audit function is well resourced to carry out its mandated review and evaluation function, which includes risk management, and its findings are evaluated to corroborate the findings of the risk management function in its assessment of the adequacy of risk management across the Group.

RISK MANAGEMENT REPORT CONTINUED

The material Group risks, in no order of priority, are discussed below:

STRATEGIC RISKS

TREND KEY: OPPORTUNITY THREAT INCREASING THREAT STABLE THREAT DECREASING CLOSED OUT

INDUSTRIAL UNREST

Ongoing industrial unrest in South Africa continues to cause project delays and disruptions, impacting on productivity, safety and profitability. It also adds a further hurdle to the decision-making process for investment in new capital projects, particularly in the mining sector.

MITIGATION

- An Employee Relations Framework has been implemented across the Group's South African operations.
- Shop stewards have been appointed on all sites to improve communication and the Visible Felt Leadership safety initiative is being used as a means to address a broader range of issues affecting employees.
- Strike mitigation plans are in place at each business.
- Client engagement and contract and commercial management on projects has been further enhanced to ensure early and comprehensive pursuit of commercial entitlements.
- There is a continued focus on growing our footprint in less risky markets and sectors.

MACRO ECONOMY

Global demand for commodities is primarily driven by economic growth in China and India. A slowdown in these economies impairs the demand for commodities, which impacts negatively on businesses servicing the mining industry.

Europe's low growth has forced European-based contractors into new markets, with an increased appetite for risk and competition in Africa and the Middle East.

Declining business confidence in South Africa, a volatile labour market and power constraints, lead to reduced foreign investment and may further constrain opportunities in the local mining markets.

Insufficient South African government infrastructure spend impacts negatively on a number of business areas within the Infrastructure & Building platform, in particular civils and roads & earthworks.

MITIGATION

- Focus on key client relationships to promote negotiated contracts with equitable terms, focusing on value rather than price.
- Grow further in the natural resources sector, particularly water.
- Continue implementation of African growth strategy in selected countries within the East, West and Central Africa regions.
- Focus the Group's South African capacity to align with anticipated Government spend, and size the South African operations to align with available opportunities.
- Diversify across the project life-cycle with emphasis on operations and maintenance, particularly within the oil and gas sector.

GROW OIL AND GAS MARKETS

Oil and gas is needed to fuel growing global energy demands. However, the current low oil price has had a major impact on the revenues of gas producers and has created a decline in capital projects and capital spend within the sector. When the sector fundamentals stabilise, Clough is strategically placed to become a meaningful player and facilitator in the African gas fields, in addition to its traditional Australasian markets.

MITIGATION

- Develop low-cost engineering centres in the United Kingdom and South Africa.
- Establish a presence in areas where the oil and gas majors are located.
- Establish joint ventures with other Murray & Roberts platforms to explore East African oil and gas opportunities.
- Diversify across the project life-cycle with emphasis on operations and maintenance.
- Diversify oil and gas capability in Australasia markets into the traditional infrastructure sector.

GROUP LIQUIDITY

While Murray & Roberts remains in a cash positive position, outstanding claims may constrain our ability to make additional acquisitions and meet growth targets.

MITIGATION

- Resolve outstanding claims, including Dubai International Airport and Gautrain.
- Continue to manage overheads and improve project performance.
- Negotiate upfront payments with clients and ensure that all contracts remain cash positive or neutral.

TRANSFORMATION

Lack of compliance with employment equity and BBBEE requirements could reduce the likelihood of Murray & Roberts being successful in winning South African tenders and increase the likelihood of client sanction or penalties on current South African projects being imposed if contractual BBBEE obligations are not met.

MITIGATION

- Monitor requirements in terms of new BBBEE codes and employment equity targets.
- Improve management control, employment equity, skills development and enterprise & supplier development within each South African business.
- Implementation of a Group BBBEE forum to track new developments, share ideas and suggest improvement plans.

LEADERSHIP CAPACITY TO SUPPORT GROWTH STRATEGY

The growth strategy continues to place demands on leadership capacity.

MITIGATION

- A remuneration policy is in place which focuses on performance and retention of key talent.
- Performance management and development as a leadership tool has been embedded within the Group.
- Regular succession reviews are held to identify potential talent retention risks and apply appropriate career planning strategies to individuals.
- Project management capacity is being built through the implementation of a recognised training curriculum based on the Project Management Body of Knowledge ("PMBOK").

OPERATIONAL RISKS

TREND KEY: OPPORTUNITY THREAT INCREASING THREAT STABLE THREAT DECREASING CLOSED OUT

HEALTH, SAFETY AND ENVIRONMENTAL EXPOSURES

The Group has made significant progress in managing safety risk, with a record-low LTIFR of 0.79 achieved in the reporting period. Regrettably there were four fatalities in FY2015. Anything more than Zero Harm remains a concern.

MITIGATION

- The Zero Harm through Effective Leadership programme is in place and is aimed at establishing a purpose-driven culture that will ensure sustainable improvement in health and safety.
- The Visible Felt Leadership initiative has been rolled out throughout the Group and is being monitored for effectiveness.
- Fatal Risks Control Protocols ("FRCP") and Life Saving Rules are in place across the Group.
- Major Accident Prevention ("MAP") plan to be implemented in all operations.
- The Philisa Care Employee Health and Wellness programme has been rolled out in South Africa to improve health and wellness standards and performance across the Group. Similar programmes have been rolled out across a number international businesses.
- An Environmental Framework, incorporating a number of critical standards, has been implemented to regulate important environmental issues such as energy efficiency, carbon emissions, waste and water.

COMPETITION LAW AND REPEAT COLLUSIVE ACTS

Settlement has been reached with the Competition Commission on all legacy matters. Focus through training, information sharing and executive declarations is ongoing, ensuring that there are no repeat collusive acts.

MITIGATION

- The induction programme for new employees includes competition law training and refresher training is repeated annually for every affected employee.
- All executives sign competition and anti-bribery and corruption declarations biannually.
- All tenders include signed declarations by executives involved in the tender regarding the prohibition of unethical and unlawful practices.

PROJECT RISK

PROJECT PERFORMANCE

A number of projects within the Group's portfolio continued to deliver losses during the year under review.

MITIGATION

- Management regularly reviews underperforming projects to revisit and revise recovery plans and programmes.
- Clients are engaged to find common cause around the recovery plans.
- The oversight committee continues to review projects in distress and provide guidance until improvements are embedded.
- Project management capacity is being built through the implementation of a recognised training curriculum based on PMBOK.
- While good progress has been made in instilling and practicing sound project management processes and procedures across the Group, a small number of project failures were experienced in the Power & Water business platform, resulting in the relevant business areas being rationalised and closed and the affected projects managed and closed out with due mitigation of losses, for which full provision has been made.

RISK AT TENDER STAGE AND COMMERCIAL CLOSE

There is a risk of bidding and winning projects with onerous project conditions and/or unacceptable commercial conditions.

MITIGATION

- All prospects are classified in terms of the nine risk filters, which are built into the Opportunity Management System.
- All prospects are registered on the Opportunity Management System, thereby ensuring process assurance through the inbuilt workflow system.
- Risk assessments are completed for all tenders and projects.
- All tenders rated as high risk are tabled at formal risk committee meetings.
- All contracts of tenders that were approved by the risk committee are independently reviewed to ensure that they are in line with the mandate given by the risk committee.
- Commercial close-out is completed diligently for every project according to the mandate given.

SA POWER PROGRAMME (KUSILE AND MEDUPI)

The recent wide-scale and prolonged industrial action has placed pressure on the underlying contractual relationships. There is a risk of not being compensated for costs incurred during strike periods.

MITIGATION

- Rigorous contract management and administration is being exercised.
- Clients are being engaged to resolve outstanding matters.
- Disputes will be arbitrated if they cannot be resolved amicably.

UNCERTIFIED REVENUES

Uncertified revenues taken to book on Dubai International Airport and Gautrain must still be realised through protracted claims processes. This creates the risk of a write-back of revenues accounted for in prior financial years if the outcomes are less favourable than anticipated.

MITIGATION

- Notice of arbitration has been submitted and the Dubai legal team is pursuing a resolution to the dispute.
- The arbitration ruling on the Gautrain water ingress, while finding that the tunnel is functionally safe to operate, was ruled in favour of Province in relation to specification. A provision to effect the necessary remedial work has been raised. The delay and disruption claim progresses and continues to receive the full attention of a dedicated legal team, working with committed executives, to ensure that the case is pursued in the most competent and comprehensive manner. The legal basis of our claim was advanced in the second separated hearing, which was won convincingly in arbitration in the last half of FY2015.

REMUNERATION REPORT

INTRODUCTION BY THE REMUNERATION AND HUMAN RESOURCES COMMITTEE CHAIRMAN

I am pleased to present the remuneration committee's report on directors' and prescribed officers' remuneration.

To enhance reporting and disclosure of directors' and prescribed officers' remuneration, our remuneration report has been structured to outline our remuneration policy and to report on the remuneration outcomes against our policy.

In terms of King III and best practice principles, the remuneration policy as contained in this remuneration report will be put to a non-binding shareholders vote at the annual general meeting of shareholders. Shareholders are referred to ordinary resolution number 8 in the loose insert of the printed report.

Our remuneration policy for executive directors and prescribed officers continues to be based on the principle of pay for performance and alignment with shareholders. Annual short-term incentives are determined using a balanced scorecard of financial and non-financial measures aligned to the Group's vision and strategic imperatives. 30% of the short-term incentive awarded is deferred into Murray & Roberts shares or conditional rights under the long-term incentive schemes, which vest over three years. This enhances alignment with shareholders' interests, serves as a clawback mechanism and supports retention of executives.

The long-term incentive plan rewards sustained financial performance, measured through our Return on Invested Capital Employed ("ROICE"), relative Total Shareholder Return ("TSR") compared to other JSE-listed companies in our sector and Free Cash Flow ("FCF") generated. Executive directors and prescribed officers are also encouraged to build a personal shareholding in Murray & Roberts.

Following shareholder engagement, the remuneration committee conducted a peer and best practice remuneration policy review of short-term incentives ("STI") and long-term incentives ("LTI") practices and the following changes have been made to the remuneration policy:

- For the FY2016 short-term incentive scheme, continuing diluted headline earnings per share has been included as an additional financial measure, which better aligns the performance metrics to shareholder interests.
- The peer benchmarking indicated that Murray & Roberts' short-term incentive allocation levels, particularly for the chief executive and financial director, lag the market. As a consequence, an upward adjustment to the allocation model for the FY2016 short-term incentive scheme has been made.
- For the September 2015 long-term incentive awards, more robust performance targets and vesting criteria have been introduced. These changes led to a decrease in the expected value of the instruments. This, together with benchmarking, indicating that long-term award levels lag peers, resulted in an increase in the LTI face value allocation levels.
- With respect to non-executive directors' fees, an Australian resident non-executive directors' fee structure is proposed for 2016 to enable the Group to attract and retain an Australian resident non-executive director.

As described in this integrated report, Murray & Roberts was impacted by the poor trading conditions in oil and gas, mining and construction. Activities in these sectors were at their lowest for more than a decade. Lower financial performance in 2015 than 2014 was due to these difficult markets (particularly in the oil and gas sector). Operating profit was marginally above threshold at R1,125 million and Return on Invested Capital Employed ("ROICE") performance of 12,7% was above threshold but below target, due to the lower profitability. Net cash of R1,413 million was lower than 2014 but better than target, and FCF of R177 million was below threshold, impacted by the inability to secure new advance payments to counter repayment of advances during the year. Although disappointing, the performance is commendable given the very difficult trading conditions both in Southern Africa and Australia.

This year's performance is reflected in the remuneration received by executive directors and prescribed officers during the year under review:

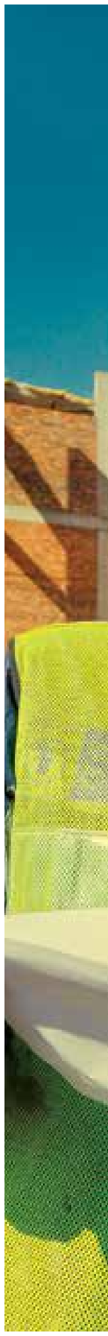
- Annual short-term incentives of 46,0% of the possible maximum have been awarded in respect of performance in 2015, 40,0% lower than awarded in 2014. This recognises the Group's disappointing financial performance on the one hand and the satisfactory performance against individual non-financial objectives that were set at the start of the year.
- The performance period for the 2012 Forfeitable Share Plan ("FSP") long-term incentive ended on 30 June 2015. Half of the award was based on ROICE performance, 25% on relative TSR performance and 25% on FCF. ROICE for the three-year performance period was 19,9%, above the target of 15,6%, being Weighted Average Cost of Capital ("WACC") plus 3%. The Group's TSR over the performance period was disappointing at a negative compound rate of 17,2%, which is below threshold. Cumulative free cash flow was above the cash positive target with a positive free cash flow of 79 cents per share. As a result of this performance, only 75% of the 2012 FSP award will vest on 28 November 2015, subject to the continued employment of the executives to that date.
- Guaranteed pay increases of 5,2% were implemented with effect from 1 July 2015, below the average percentage increases awarded to salaried staff across the Group.

As always we welcome the input of our shareholders on our remuneration policy and trust that the changes made during the year reflect greater shareholder alignment and we believe they will lead to an enhanced performance culture in pursuit of the Group's strategic objectives and sustained shareholder value creation.

ROYDEN VICE
CHAIRMAN
REMUNERATION & HUMAN RESOURCES COMMITTEE

"OUR REMUNERATION POLICY FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS CONTINUES TO BE BASED ON THE PRINCIPLE OF PAY FOR PERFORMANCE AND ALIGNMENT WITH SHAREHOLDERS."

REMUNERATION REPORT



Introduction

The remuneration report has been prepared by the remuneration & human resources committee ("remuneration committee") in line with the principles outlined in King III and has been approved by the Board. The remuneration report has been updated and reflects international reporting trends. The report covers executive directors', prescribed officers' and non-executive directors' remuneration.

The Group executive committee makes key management decisions under the authority that has been delegated to it by the Board and is responsible for execution of the Group's strategy. The members of the executive committee during FY2015 are shown in the table below.

Executive committee members

Name	Title	Designation
Henry Laas	Group chief executive	Executive director
Cobus Bester	Group financial director	Executive director
Orrie Fenn	Chief executive officer – Underground Mining business platform	Prescribed officer
Kevin Gallagher	Chief executive officer – Oil & Gas business platform	Prescribed officer
Jerome Govender	Chief executive officer – Infrastructure & Building business platform	Prescribed officer
Ian Henstock	Commercial executive	Prescribed officer
Thokozani Mdluli	Health, safety and environment executive	Prescribed officer
Frank Saieva[1]	Chief executive officer – Power & Water business platform	Prescribed officer
Andrew Skudder	Sustainability executive	Prescribed officer

1 Frank Saieva resigned on 29 May 2015.

The non-executive directors who served on the Board during FY2015 are listed in the table below.

Non-executive directors

Name	Designation
Mahlape Sello	Independent non-executive chairman
Dave Barber	Independent non-executive director
Ralph Havenstein	Independent non-executive director
Ntombi Langa-Royds	Independent non-executive director
Michael McMahon	Independent non-executive director
Bill Nairn[1]	Independent non-executive director
Royden Vice	Independent non-executive director

1 Bill Nairn retired as an independent non-executive director on 1 January 2015.

Suresh Kana was appointed as an independent non-executive director on 1 July 2015 and Xolani Mkhwanazi was appointed as an independent non-executive director on 1 August 2015.

The remuneration report outlines the remuneration policy that guides the remuneration committee's decisions, and the remuneration outcome from the application of the remuneration policy during FY2015.

Remuneration policy principles

Murray & Roberts believes that directors, senior executives and employees should be paid fair, competitive and appropriately structured remuneration in the best interests of shareholders. It also recognises that its remuneration philosophy has a direct effect on the behaviour of employees and that it has to support delivery of the Group's business strategy. The remuneration policy continues to be driven by the principles of developing a performance culture and motivating and retaining key and critical talent.

The Murray & Roberts remuneration policy is aligned to the Group strategy, which aims to deliver enhanced shareholder value through growth in profitability and cash flows, focus on international natural resource market sectors, diversification of the Group's business model, delivery of project and commercial management excellence and enhanced safety, performance and diversity of the Group's employees.

Murray & Roberts recognises that its remuneration policy should be formalised across all the Group's businesses for remuneration to be consistent and fair, however it needs to remain flexible enough to acknowledge differences across businesses, with varying market conditions and external benchmarking, per business platform.

Remuneration policy for executive directors and prescribed officers

To give effect to the general remuneration philosophy that executive directors, prescribed officers and salaried employees should be paid fair, competitive and appropriately structured remuneration in the best interests of the Company and shareholders, the following broad principles are applied:

- Remuneration consists of fixed and variable components, with emphasis on variable pay at senior levels to encourage performance and shareholder value-add;
- Remuneration structures support the development of a performance culture and the Group's business strategy;
- Remuneration components are set at a competitive level to motivate key talent and to attract and retain the services of high-calibre employees;
- The short-term incentive plan aligns the interests of executives with those of shareholders in the short-term as performance incentives are subject to Company key financial performance and individual non-financial key performance indicators; and
- The long-term incentive plan rewards achievement of financial performance measures supporting long-term shareholder value creation.

Components of remuneration

The remuneration committee ensures that the mix of remuneration components supports the Group's strategic objectives. Murray & Roberts has the following remuneration components:

- Guaranteed pay (consisting of salary, benefits and retirement fund contributions)
- Short-term incentives
- Long-term incentives

The Company seeks to position guaranteed pay at the median against appropriate benchmarks, however, for total remuneration the policy is to position earnings at the 75th percentile for executives, senior management and key talent and critical skills, where the 75th percentile is achieved at between "on-target" and "stretch" performance. This policy supports the underlying principle of paying for performance and the focus on variable pay.

The table on the following pages summarises the key components of executive directors' and prescribed officers' remuneration, the link to strategy, how each component operates and the maximum opportunity for each element.

Summary of remuneration components and link to strategy

Guaranteed pay is a fixed component, which reflects individual contribution and market value for respective roles, with internal and external equity being cornerstones for setting guaranteed pay.

Operation	Maximum opportunity
■ Guaranteed pay consists of salary, benefits and retirement fund contributions. ■ Positioned at market median (per job grade taking into consideration the size and complexity of the role). The committee considers the impact of any guaranteed pay increase on the total remuneration package. ■ Paid monthly in cash net of allocations to travel allowances, retirement fund, insured benefits and medical aid. ■ Guaranteed pay (and other elements of the remuneration package) are paid in different currencies as appropriate to reflect the geographic location of the executive. ■ Reviewed annually taking account of Group performance, individual performance, changes in responsibility, levels of increase in the market and levels of increase for the broader employee base. ■ Benchmarking is performed relative to peer companies for executive directors and for prescribed officers, against companies listed on the JSE which are of a similar size and nature in terms of market capitalisation and sector. The Oil & Gas business platform CEO is benchmarked against an appropriate group of Australian Securities Exchange-listed engineering and construction and oil and gas operator companies.	There is no prescribed maximum annual increase. However, increases will normally be no more than the general level of increase in the market against which the executive's salary is benchmarked. On occasions a larger increase may be awarded to recognise, for example, development in role or change in responsibility.

Benefits are provided at competitive levels to attract and retain suitably qualified and experienced executives.

Operation	Maximum opportunity
■ Benefits such as travel allowances, insurance policies relating to death-in-service and disability benefits and medical aid are included in guaranteed pay.	There are no prescribed maximum values. However reference is made to market practice and benchmarks. Company contributions for disability and death benefits in South Africa are based on pensionable salary, where pensionable salary is no less than 50% of guaranteed pay. The contribution rates are reviewed annually.

Retirement fund contributions are made to provide competitive post-employment income to attract and retain suitably qualified and experienced executives.

Operation	Maximum opportunity
■ Executives in South Africa contribute to the Murray & Roberts Retirement Fund, which is a defined contribution pension fund. ■ In Australia contributions are made, as part of guaranteed pay, to a superannuation fund structured as a defined contribution fund.	Maximum company contributions are set according to local retirement fund rules.

Short-term incentives drive Company and team financial performance, as well as individual performance for non-financial measures, in order to deliver sustained shareholder value. It also provides alignment with shareholders through a deferred component.

Operation

- The STI scheme is designed to be self-funding. On-target bonus projections are used to ensure affordability and financial measures such as earnings before interest and tax and actual profit are used to calculate the bonus provision accrual.
- Awards are based on annual performance against a balanced scorecard of metrics as determined by the remuneration committee from time to time.
- The Group chief executive, Group financial director and business platform CEOs have a 70% weighting in favour of financial targets, while other prescribed officers have a 60% weighting. For the 70% financial target weighting for business platform CEOs, 50% is linked to their platform financial measures and 20% to Group financial targets.
- Individual performance is also assessed against suitable objectives related to leadership, relationship, operational and risk (including safety) targets.
- 70% of the award is delivered in cash and 30% in deferred forfeitable shares or conditional rights under the LTI schemes, which vests equally over three years, subject only to continued employment.
- Financial performance targets are measured against audited annual financial performance, net of bonus accruals. Individual non-financial performance targets are based on a formal performance and development evaluation conducted by the executive's direct manager and by the committee for the Group chief executive.

Maximum opportunity

The STI disbursement is based on incentive qualification levels as a percentage of guaranteed pay, which is a function of job grade and performance against agreed financial and/or individual targets as per the individual's performance contract, and applied on a sliding scale between threshold, target or stretch performance.

Performance below threshold attracts no STI payment for the specific component of the STI below threshold, where threshold for financial targets is 80% of target.

The STI disbursement is capped at stretch performance or 120% of target.

The maximum STI disbursement as a percentage of guaranteed pay in FY2016 is 200% (FY15: 150%) for the Group chief executive, 150% (FY15: 125%) for the Group financial director and between 100% and 150% (FY15: 100%) for prescribed officers depending on their job grade.

Clawback provisions, as described on page 82, apply to awards made from August 2015.

Long-term incentives provide general alignment between the executives and shareholders of the Group. They also motivate and reward executives who have contributed to the Group's value creation over the long term and support the retention and attraction of executives.

Operation

- Murray & Roberts operates three LTI schemes: the FSP introduced in October 2012, the Letsema Vulindlela Black Executives Trust ("Vulindlela"), which was established in December 2005 as part of the Group's BBBEE shareholding structure and the Clough Phantom Share Plan ("CPSP") introduced in 2014 following the acquisition of the minority interests in Clough.
- Murray & Roberts has a historical option type plan, namely the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("Share Option Scheme"), which is currently under water and being phased out.

Forfeitable Share Plan

- Forfeitable Murray & Roberts shares are awarded subject to continued employment and satisfaction of challenging performance conditions measured over a three-year performance period, which are set by the remuneration committee before each grant.
- Cliff vesting occurs at the end of the three-year period.
- Settlement of the forfeitable shares can be by way of an acquisition of the required number of shares on the market, the use of shares held in treasury account, the use of shares held by The Murray & Roberts Trust, or an issue of shares. The remuneration committee has the ability to cash-settle awards, if necessary, in exceptional circumstances. There is no current intention for awards to be delivered in this way.

Maximum opportunity

LTI award levels, expressed as a percentage of guaranteed pay, will be made based primarily on an employee's guaranteed pay, job grade, performance, retention and attraction requirements and market benchmarks.

The maximum allocation limit as a percentage of guaranteed pay is 190% for the Group chief executive, 140% for the Group financial director and between 80% and 140% for prescribed officers depending on their job grade (face value of shares at grant).

Summary of remuneration components and link to strategy continued

Long-term incentives continued

Operation	Maximum opportunity
■ In very specific circumstances, on an ad-hoc basis, where it is necessary to retain critical talent, the remuneration committee may make awards only subject to vesting conditions with no performance conditions. These awards are aimed at retention and will not form part of the annual awards. **www.murrob.com //** a summary of the salient features of the FSP is available in the 2015 integrated report and on the Murray & Roberts website **Letsema Vulindlela Black Executives Trust** ■ The beneficiaries of Vulindlela are black (African, Coloured and Indian) South African citizens, who are employed on a permanent basis within the Group as top, senior and middle managers. Black prescribed officers have several outstanding allocations under Vulindela, however they have only been allocated forfeitable shares under the FSP since November 2012. **Clough Phantom Share Plan** ■ Clough phantom shares or conditional rights are awarded subject to continued employment and satisfaction of challenging performance conditions measured over three years, which are set by the remuneration committee before each grant. ■ Cliff vesting occurs at the end of the three-year period. ■ The phantom shares will be settled in cash or in Murray & Roberts shares at the date of vesting. The monetary value to which a Clough executive will become entitled as a result of the vesting of phantom shares will be the deemed market value of a Clough share on vesting date multiplied by the number of phantom shares to vest. ■ The value of the phantom shares will be equal to the deemed market value of a Clough share. The value of Clough shares will be determined as at 30 June each year based on the median price-earnings multiples of selected listed Australian peer companies against the audited financial results for Clough. ■ Executives will give no consideration for the award or settlement of an award. **Share Option Scheme** ■ The last award under the Share Option Scheme was made in July 2012 and no further awards will be made. ■ Outstanding awards in terms of the Share Option Scheme will continue to vest, mostly subject to the meeting of performance conditions.	For FSP allocations from August 2015, 30% of the award vests for threshold performance, rising on a straight-line scale to 100% of the award for performance at target performance. Under the CPSP, 80% of the award vests for threshold performance, rising on a straight-line scale to 100% of the award for performance at target performance. Clawback provisions, as described on page 82, apply to awards made from August 2015.

Executive share ownership aims to better align the interests of executives with those of shareholders by encouraging executives to build a meaningful shareholding in the Company.

Operation	Maximum opportunity
A first move towards this was through the introduction of part deferral of STIs into forfeitable shares, where 30% of the STIs are deferred into forfeitable shares under the FSP or conditional rights under the CPSP. In a bid to further encourage executives to hold more shares, the Group chief executive is encouraged to build a shareholding, in "unfettered" shares, equivalent to at least 100% of guaranteed pay, other executive directors equivalent to 75% of guaranteed pay, and prescribed officers equivalent to 50% of guaranteed pay over a period of not more than five years. Executives are encouraged to retain at least 50% of any vested shares retained after meeting necessary tax obligations under the LTI schemes.	Not applicable.

Choice of performance measures

The table below shows the performance measures set for FY2015, and changes to be introduced for the FY2016 schemes. The weightings presented below are for the executive directors. Targets are set every year following a bottom-up business planning process taking account of strategic goals and the prevailing market conditions.

STI performance measures

Financial performance measures

FY2015 metric	FY2016 metric	Weighting for chief executive and financial director	Rationale
EBIT ("Earnings Before Interest and Tax")	**EBIT**	FY2015: 40% FY2016: 20%	A key indicator of the underlying profit performance of the Group, reflecting both revenues and costs.
	Continuing Diluted Headline Earnings per Share ("HEPS")	FY2015: 0% FY2016: 20%	A key indicator of the value add for shareholders.
Net Cash	**Net Cash**	FY2015: 10% FY2016: 10%	A key indicator of the Group's liquidity and ability to meet its debt requirements.
Free Cash Flow	**Free Cash Flow**	FY2015: 10% FY2016: 10%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. Free cash flow is an indication of the ability of the Group to pursue opportunities that enhance shareholder value.
ROICE	**ROICE**	FY2015: 10% FY2016: 10%	A key indicator of the effective use of shareholder capital.

Individual performance measures

FY2015 metric	FY2016 metric	Weighting for chief executive and financial director	Rationale
Leadership	**Leadership**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which strategy implementation, transformation & diversity and leadership succession & development objectives are achieved.
Relationship	**Relationship**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which stakeholder engagement and employee relations objectives are achieved.
Operational	**Operational**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which governance, commercial management and project performance objectives are achieved.
Risk	**Risk**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which health, wellness & safety, risk management and environmental objectives are achieved.

REMUNERATION REPORT CONTINUED

LTI performance measures

FSP performance measures

Metric and weighting	Rationale	Vesting
Return on Invested Capital Employed ("ROICE") 50%	A key indicator of the effective use of shareholder capital.	For allocations prior to August 2015, 100% vesting will occur at target performance of WACC + 3%, with 80% vesting at threshold performance which is 80% of target. Linear vesting will be applied between these points. For the September 2015 allocation, 30% vests for threshold performance and 100% vests for target, where threshold performance is WACC and target performance is WACC + 4%. Linear vesting will be applied between these points.
Total Shareholder Return ("TSR") relative to a peer group of competitors 25%	TSR measures the total returns to the Group's shareholders, and provides close alignment with shareholder interests.	A peer group of South African engineering and construction companies is used to evaluate TSR. For allocations prior to August 2015, 100% vesting will occur at median peer TSR performance, with 80% vesting at threshold performance of 80% of target. Linear vesting will be applied between these points. TSR is weighted for each of the peer companies according to their market capitalisation at the beginning of the performance period. For the September 2015 allocation, 30% vests for threshold performance and 100% vests for target performance against a market cap weighted index of the peer companies. Threshold is 90% of the combined peer TSR Compound Annual Growth Rate ("CAGR") and target is the combined peer TSR CAGR plus 5%. Linear vesting will be applied between these points.
Free Cash Flow per Share ("FCFPS") 25%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. FCFPS is an indication of the Group's ability to pursue opportunities that enhance shareholder value.	For the November 2012 and August 2013 allocations, 100% vesting will occur for a positive cumulative FCFPS over the three-year performance period. For the September 2014 and March 2015 allocations, 100% vesting will occur at target FCFPS for each of the three-years under review on a cumulative basis. 80% vesting occurs at threshold performance which is 80% of target. Linear vesting will be applied between these points. For the September 2015 allocation, 30% vests at threshold performance and 100% vests at target, where target performance is 120% of cumulative budgeted FCFPS and threshold performance is 80% of budget. Linear vesting will be applied between these points.

LONG TERM INCENTIVES PROVIDE GENERAL ALIGNMENT BETWEEN EXECUTIVES AND SHAREHOLDERS OF THE GROUP."

CPSP performance measures

Metric and weighting	Rationale	Vesting
Return on Invested Capital Employed ("ROICE") 25%	A key indicator of the effective use of shareholder capital.	80% vests for threshold performance and 100% vests for target, where threshold performance is 80% of target and target is Clough WACC + 3%. Linear vesting will be applied between these points.
Return on Equity ("ROE") 25%	A key indicator of profitability relative to shareholders' equity.	100% vesting will occur at target performance of 17,5% through the cycle, with 80% vesting at threshold performance which is 80% of target. Linear vesting will be applied between these points.
Relative Growth in NPAT ("RGNPAT") 25%	A key indicator of relative growth in profitability, which replicates a TSR type performance measure in a non-listed company.	A peer group of Australian engineering and construction companies is used to evaluate RGNPAT. 100% vesting will occur at median peer RGNPAT performance, with 80% vesting at threshold performance which is 80% of target. Linear vesting will be applied between these points.
Free Cash Flow ("FCF") 25%	A key indicator of the Oil & Gas business platform's ability to generate cash after providing for maintaining or expanding its asset base.	100% vesting will occur at target cumulative FCF. 80% vesting occurs at threshold performance of 80% of target. Linear vesting will be applied between these points.

Clawback of incentives

For STI and LTI awards made from August 2015, the remuneration committee introduced clawback provisions, where the committee may reduce or clawback STI and LTI awards in the following circumstances:

- The participant acting fraudulently or dishonestly or being in material breach of their obligations to the Murray & Roberts Group; or
- Where Murray & Roberts becomes aware of a material misstatement or omission in the financial statements of a Group company or the Group.

These clawback provisions apply whether or not awards are made in the form of cash or equity, and whether or not the equity has vested.

Differences in remuneration policy for executives compared to other employees

There are differences in the structure of the remuneration policy for the executive directors, prescribed officers and other salaried employees, which are necessary to reflect the different levels of responsibility and market practices. The key difference is the increased emphasis on variable performance-related pay in senior roles. Lower maximum variable incentive pay limits, as a percentage of guaranteed pay, apply for roles below executive level, driven by market benchmarks and the relative impact of the role. Only the most senior executives in the Group participate in the FSP and CPSP schemes, where these plans are targeted at those individuals who have the greatest responsibility for Group performance. As Murray & Roberts believes that all employees should be aligned with key business drivers, participation in the STI also includes middle management, junior management and general employees, subject to the meeting of individual performance targets.

Executive directors' and prescribed officers' employment contracts and policy on termination of employment

Executive directors and prescribed officers do not have fixed-term contracts, but are subject to notice periods of three months, other than the Oil & Gas business platform CEO, who has a 12 month notice period should Murray & Roberts terminate his employment, or a six month notice period should he resign. The employment contracts include pay in lieu of notice provisions which may be invoked at the discretion of the Group. Normal retirement of executive directors and senior management is at age 63, however this is subject to specific legislation in the countries within which Murray & Roberts operates.

There is no material liability to the Group with respect to the termination of employment of any executive director or prescribed officer. The contracts of employment do not include provisions entitling the individual to a specified payment on termination of employment or on a change of control of Murray & Roberts, other than as stipulated in the LTI schemes. The only provision in the contract of employment for executive directors and prescribed officers (other than the Oil & Gas business platform CEO) relating to a payment on termination of employment is that, where termination occurs during the first year of employment, any payment to which the individual is entitled by law will be limited to a maximum of 25% of annual Total Fixed Cost of Employment ("TFCE").

Any LTI entitlements awarded to an executive director or prescribed officer under the Group's LTI schemes will be determined based on the relevant plan rules. Employees terminating employment due to resignation or dismissal on grounds of misconduct, poor performance or dishonest or fraudulent conduct or due to absconding, will be classified as bad leavers and will forfeit all unvested LTI awards and deferred STI into LTI awards. Employees terminating employment due to death, retirement, retrenchment, ill-health, disability, injury or the sale of the Employer Company will be classified as good leavers and a portion of the LTI awards and deferred STI into LTI awards will vest on the date of termination of employment. This portion will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the vesting period and the extent to which the performance conditions imposed have been met. The remainder of the awards will lapse.

No agreements have been entered into with the executive directors or prescribed officers regarding restraint of trade, other than the Oil & Gas business platform CEO who has a non-competition clause in his contract of employment.

Retention schemes

Retention schemes are used on an ad-hoc basis to provide select executives with retention instruments to ensure the Group is able to attract and retain highly-skilled and experienced executives. Retention schemes may be cash settled or equity settled through the use of one of the Group's LTI schemes. Where appropriate, performance conditions are applied to retention schemes.

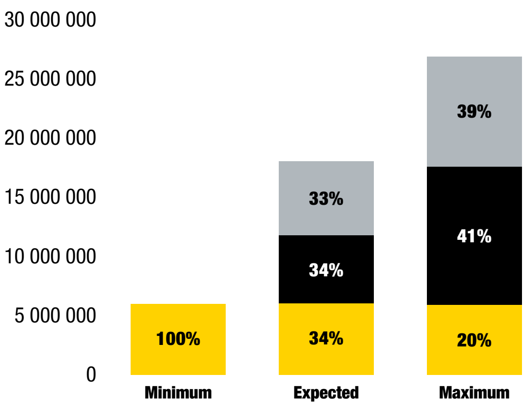
Following the acquisition of the non-controlling interests in Clough, Murray & Roberts put in place a financial retention plan for the Oil & Gas business platform CEO and select senior executives in this platform as disclosed in the 2014 remuneration report. The retention scheme for the Oil & Gas business platform CEO was structured so that payments will be made three and five years from the date of acquisition of the minority shares in Clough, i.e. in December 2016 and December 2018.

Given the changes in the oil and gas market and the Oil & Gas business platform's contribution to Group results, it was deemed prudent to review the Oil & Gas business platform CEO's retention scheme and to cancel the potential December 2018 payment and replace it with a scheme that would vest in 2020. This will be facilitated through a cash settled scheme and an additional allocation of conditional rights under the CPSP.

Total remuneration scenarios at different performance levels

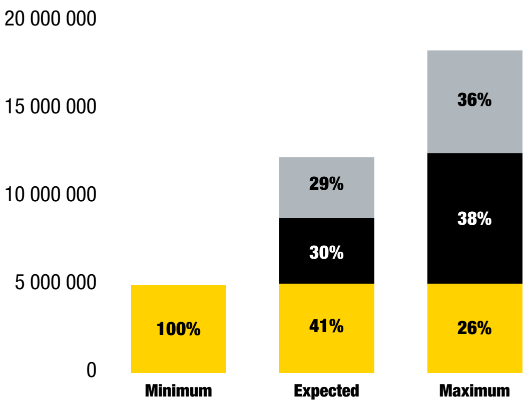
The charts below illustrate the total potential remuneration for the executive directors.

GROUP CHIEF EXECUTIVE [1]
(R MILLION)



GUARANTEED PAY   STI   LTI

GROUP FINANCIAL DIRECTOR [1]
(R MILLION)



GUARANTEED PAY   STI   LTI

1 Assumptions:

Minimum = guaranteed pay only (salary, benefits and retirement fund contributions)
Expected = on-target STI allocation and expected value of LTI award
Maximum = stretch STI allocation and face value of LTI award
Guaranteed pay levels (on which other elements of the package are calculated) are based on those applying on 1 July 2015.

Remuneration policy for non-executive directors

Components of remuneration

Non-executive directors receive a fee for their contribution to the Board and its committees of which they are members. This fee structure reflects the skill and experience brought to the Group by each non-executive director, responsibilities undertaken, the time commitment involved and the importance of attendance at and contribution to Board and committee meetings. The fee structure is reviewed annually.

Fees are benchmarked against companies listed on the JSE which are of a similar size and nature, in terms of market capitalisation and sector. This includes companies in the construction, mining and industrial sectors. It is the Company's policy to align fees to the upper quartile of the benchmark, in alignment with the total remuneration policy for executives and in order to ensure that suitably qualified and experienced non-executive directors are attracted to the Group.

REMUNERATION REPORT CONTINUED

Summary of non-executive director remuneration

Remuneration element and link to strategy	Operation	Maximum opportunity
Fees Director's fees are paid in order to attract and retain high-quality individuals, and to provide appropriate remuneration for the responsibility undertaken. Committee fees recognise the additional responsibilities, time and commitment required.	■ The chairman is paid a single fee for all responsibilities and includes a director's fee, as well as committee membership fees. ■ Non-executive directors are paid a director's fee and relevant committee membership fees. ■ Committee chairmen are paid an additional fee to reflect their extra responsibilities. ■ All fee levels are reviewed and benchmarked annually and any changes are effective from 1 October following approval by shareholders. ■ To the extent that non-executive directors do not attend a scheduled Board or committee meeting, an amount will be deducted from their fee. ■ Where non-executive directors are required to attend a special Board or committee meeting, they will receive an additional fee in respect of their attendance, with the exception of the remuneration & human resources committee, where one additional special committee meeting is included in the committee fee. ■ A multi-currency director's fee structure is being proposed to shareholders based on the place of residence of the non-executive director, which at this time only includes a potential Australian resident non-executive director.	While there is not a maximum fee level, fees are set by reference to upper quartile market data for companies of similar size and complexity to Murray & Roberts. There is no prescribed annual increase. However, increases will normally be no more than the general level of increase in the market against which the director's fees are benchmarked. On occasions a larger increase may be awarded to align fees to the market.
Benefits are paid in order to compensate directors for expenses incurred.	■ Non-executive directors are entitled to travelling and other expenses incurred in carrying out the business of the Group and attending Board and committee meetings. ■ Australian resident non-executive directors receive an annual travel allowance to compensate for the time spent travelling between Australia and South Africa to attend Board and committee meetings.	There are no prescribed maximum values. However guidelines are set so as to ensure consistency and to optimise the cost of travel and accommodation.
Short-term incentives and long-term incentives	■ Non-executive directors do not participate in the STI or any LTI scheme and they do not receive any benefits other than those disclosed.	Not applicable.
Payments on early termination	■ There are no provisions in any of the non-executive directors' appointment arrangements for compensation payable on early termination of their directorship, other than payment of accrued fees and expenses.	Not applicable.

Tenure of office

The Company's Articles of Association determine that non-executive directors are elected at the annual general meeting for a period of three years. At the end of three years non-executive directors will retire and should they be available for re-election and subject to nomination by the Board, such election will take place at the annual general meeting for a further period of three years. Retirement age for non-executive directors is 70 years.

Fee proposal for 2016

In accordance with King III the remuneration committee reviews (relative to external benchmarks) and recommends fee structures to the Board for approval (excluding recommendation on their own fees) before submitting recommendations for approval by shareholders at the annual general meeting.

An inflation-linked increase to the non-executive directors' fees is proposed for 2016. An Australian resident non-executive directors' fee structure is proposed for 2016 due to the need to attract an Australian resident non-executive director to assist the Board in overseeing the significant activities undertaken by the Group in Australia and parts of Asia.

The proposed fees are tabled below.

		Proposed per annum	Previous per annum
Director fees			
Chairman	Includes director and committee fees[1]	R1 350 000	R1 280 000
Resident Director	Per annum[2&3]	R275 000	R260 000
Non-resident Director	Per annum[2&3]	AU$100 000	–
Committee fees			
Audit & sustainability	Chairman	R255 000	R240 000
	Resident member	R136 500	R130 000
	Non-resident member	AU$10 000	
Health, safety & environment	Chairman	R185 000	R175 000
	Resident member	R95 000	R90 000
	Non-resident member	AU$10 000	–
Nomination	Member	R60 000	R55 000
Remuneration & human resources	Chairman	R185 000	R175 000
	Member	R95 000	R90 000
Risk management	Chairman	R185 000	R175 000
	Resident member	R95 000	R90 000
	Non-resident member	AU$10 000	
Social & ethics	Chairman	R185 000	R175 000
	Resident member	R95 000	R90 000
	Non-resident member	AU$10 000	–
Ad hoc meetings			
Board	Resident member	R45 000	R42 500
	Non-resident member	AU$17 000	–
Committee	Resident member	R23 000	R21 500
	Non-resident member	AU$8 900	–

1 *Includes fees for chairing the nomination committee and attending all Board committees.*
2 *Calculated on the basis of five meetings per annum.*
3 *A deduction of R23 000 or AU$8 900 per meeting will apply for non-attendance at a scheduled Board meeting.*
4 *Australian resident non-executive directors will receive an annual travel allowance of AU$25 000 to compensate for the time spent travelling to attend meetings.*

In terms of section 66(8) of the Companies Act shareholders are referred to special resolution number 1 included in the loose insert of the printed report regarding approval of the proposed non-executive director fee structure for FY2016.

ANNUAL REPORT ON REMUNERATION

This section of the remuneration report outlines the governance of remuneration and how the remuneration policy has been applied to executive directors, prescribed officers and non-executive directors.

Remuneration governance

The remuneration committee assists the Board to fulfil its corporate governance supervision responsibilities and to align the remuneration policy with the Company's business strategy. The key focus in this regard is to attract, retain, motivate and reward directors, senior executives and employees through the payment of fair, competitive and appropriately structured remuneration in the best interests of the Company and shareholders. The committee operates under terms of reference reviewed and approved annually by the Board.

Membership

Royden Vice chairs this committee. Ntombi Langa-Royds, Michael McMahon and Mahlape Sello serve as members of the committee. Subsequent to year end, Michael McMahon stepped down and Suresh Kana was appointed to the committee. The Group chief executive, Group financial director and sustainability executive attend meetings in an *ex officio* capacity. The executives who attend meetings in their *ex officio* capacity do not participate in any discussions or decisions pertaining to their own remuneration. Specialised advice is sought from time to time.

Terms of reference

The chairman of the committee reports to the Board on the committee's deliberations and decisions. The committee assists the Board by submitting reports and recommendations on the Group's employment framework and policies, and remuneration philosophy.

The committee is responsible for considering and approving proposals regarding guaranteed pay, benefits, short-term incentives, long-term incentives and related matters pertaining to executive directors of the Group, prescribed officers, all managing directors of the Group's businesses and other senior Group executives. It also considers and approves the remuneration and benefits paid to general employees. It has responsibility for oversight of the Group pension, provident and other benefit plans.

The functions, role and mandate of the Group chief executive are considered by the committee and his performance is assessed. Succession planning to the Group chief executive and senior executives is also considered by the committee, as well as the Group's leadership succession and development strategy and employment equity status.

The committee oversees the preparation of the remuneration report and recommends the report to the Board, ensuring that this report is accurate, complete and transparent and provides a clear explanation of how the remuneration policy has been implemented. The committee ensures that the remuneration policy is put to a non-binding advisory vote of shareholders at the annual general meeting.

Key decisions

The key decisions taken during the year by this committee were:

- Approval of increases to the guaranteed pay component of total remuneration for the Group;
- Approval of executive director and prescribed officer guaranteed pay increases for FY2016;
- Approval of short-term incentive payments in respect of FY2015;
- Approval of long-term incentive awards and underlying performance conditions;
- Review and approval of non-executive director fees for FY2016, excluding approval of any recommendation on their own fees;
- Review and approval of changes to the remuneration policy for FY2016;
- Review and approval of retention schemes for key executives; and
- Review and approval of the Group's remuneration report for inclusion in the FY2015 annual integrated report.

Assessment

The committee evaluated its performance and effectiveness by way of self-assessment questionnaires. Based on the results, the committee believes that it functions effectively and has complied with its terms of reference in all material respects.

Remuneration outcomes for executive directors and prescribed officers

The remuneration policy for executive directors and prescribed officers that applied in FY2015 is the same as set out in the remuneration policy report, and the remuneration outcomes described below have therefore been provided in accordance with that same policy.

Single total figure of remuneration

The table opposite includes the total remuneration for the reported financial year and the previous financial year. The table includes guaranteed pay, the short-term incentive paid (including the deferred short-term incentive) and the long-term incentives that will vest due to performance in the financial year.

Single total figure of remuneration for period to 30 June 2015

EMPLOYEE	Guaranteed pay		STI		LTI		Benefits		Total remuneration	
	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**
Laas, Henry	5 100 000	**5 600 000**	6 655 500	**3 211 600**	–	**1 604 644**	380 000	**–**	12 135 500	**10 416 244**
Bester, Cobus	4 065 000	**4 310 000**	4 471 500	**2 264 900**	–	**1 166 138**	184 000	**–**	8 720 500	**7 741 038**
Fenn, Orrie	4 100 000	**4 260 000**	2 342 100	**2 313 700**	–	**1 007 119**	–	**–**	6 442 100	**7 580 819**
Gallagher, Kevin	12 705 252	**13 154 530**	10 476 190	**6 856 199**	–	**–**	25 751 104	**–**	48 932 546	**20 010 729**
Govender, Jerome	3 200 000	**3 400 000**	2 768 000	**1 727 600**	–	**751 725**	209 000	**–**	6 177 000	**5 879 325**
Henstock, Ian	3 165 000	**3 355 000**	2 595 300	**1 424 500**	–	**780 638**	–	**–**	5 760 300	**5 560 138**
Mdluli, Thokozani	2 100 000	**2 250 000**	1 617 000	**910 300**	–	**322 856**	–	**–**	3 717 000	**3 483 156**
Saieva, Frank	3 210 000	**3 116 667**	1 800 000	**–**	–	**–**	–	**1 142 224**	5 010 000	**4 258 891**
Skudder, Andrew	2 950 000	**3 150 000**	2 478 000	**1 337 500**	–	**689 081**	–	**–**	5 428 000	**5 176 581**

The single total figure of remuneration is calculated as set out below.

2014	2015
Guaranteed pay	
Guaranteed pay earned for the period including benefits and retirement fund contributions.	Guaranteed pay earned for the period including benefits and retirement fund contributions.
The average remuneration adjustment for executive directors and prescribed officers for FY2015 (effective 1 July 2014) was 6,4% (FY14: 10%). The total adjustment was aligned to the average Murray & Roberts increase awarded in March 2014 for other salaried employees of 6,5%. It included an adjustment for certain executives to better align guaranteed pay to median guaranteed pay using appropriate national and peer company benchmarks.	The average remuneration adjustment for executive directors and prescribed officers for FY2016 (effective 1 July 2015) was 5,2% (FY14: 6,4%). The total adjustment is aligned to the average Murray & Roberts increase awarded in March 2015 for other salaried employees of 5,8%. Kevin Gallagher elected not to take a salary increase due to the depressed Australian economy and international oil and gas market.
STI	
STI awarded for FY2014 performance. 80% (70% for Kevin Gallagher) of the award was provided in cash in September 2014, and 20% (30% for Kevin Gallagher) deferred as an LTI award, which will vest 1/3 each year from FY2015 to FY2017.	STI awarded for FY2015 performance. 70% of the award is payable in cash in September 2015, and 30% deferred as an LTI award, which will vest 1/3 each year from FY2016 to FY2018.
LTI	
No LTIs vested for performance to 30 June 2014.	The value of LTI awards under the November 2012 FSP that will vest on 28 November 2015, based on performance during the three-year period to 30 June 2015. The value of that award is based on a share price on 30 June 2015 of R12.85. 25% of the November 2012 FSP awards lapsed due to non-achievement of the TSR performance condition. The August 2011 retention Share Options Scheme allocation that vested on 31 August 2014 carried no value as at 30 June 2015 as the share price was below the strike price for this allocation. No LTIs vested under the CPSP for performance to 30 June 2015.
Benefits	
Excess accumulated leave paid out to Henry Laas, Cobus Bester and Jerome Govender due to change in the leave policy. The payment to Kevin Gallagher relates to LTIs that vested under the old Clough LTI scheme due to the change of control provisions and a contractual material diminution payment, both of which arose through the acquisition of the Clough non-controlling interests in December 2013. These payments are considered to be once off.	The payment to Frank Saieva relates to accumulated leave and three month's pay in lieu of notice, following his resignation on 29 May 2015.

REMUNERATION REPORT CONTINUED

FY2015 STI performance outcomes

Financial performance Key Performance Indicators ("KPIs") are measured against audited annual financial performance and are net of bonus accruals. Individual performance KPIs are based on a formal performance and development evaluation conducted by the Group chief executive for the executives and by the remuneration committee for the Group chief executive.

Performance against the FY2015 Group targets are summarised below, where the outcome represents the overall Group performance expressed as a percentage achievement against target for the specific KPI.

EVALUATION KEY:

PERFORMANCE BETWEEN TARGET AND STRETCH · PERFORMANCE BETWEEN THRESHOLD AND TARGET · PERFORMANCE BELOW THRESHOLD

KPA	KPI	Weighting	Outcome	Comments
FINANCIAL	Profitability	40%	80%	EBIT of R1,125 million achieved relative to target of R1,400 million for continuing operations.
	Cash flow – net cash	10%	165%	Net cash of R1,413 million achieved relative to target of R856 million. 165% performance is capped at 120% for STI calculation.
	Cash flow – free cash flow	10%	23%	Free cash flow of R177 million relative to target of R767 million. Performance of less than 80% compared to target attracts no STI payment for the element.
	Returns	10%	81%	ROICE of 12,7% achieved relative to WACC plus 3% or 15,7%.
LEADERSHIP	Strategy implementation	7,5%	90%	Progress made on increasing focus on international natural resource market sectors and diversifying the Group's business model.
	Transformation & diversity			In general, due to a stagnant business environment, transformation in South Africa has not accelerated, however there are pockets of solid performance. Group BBBEE rating met target of Level 2.
	Leadership succession & development			Performance management and succession planning is well established at executive level, however bench strength could be stronger. Clough's bench strength improved through three senior appointments. Rollout of leadership and project management programmes was satisfactory.
RELATIONSHIP	Stakeholder engagement	7,5%	80%	Relations with most stakeholders are strong, however relationship between the South African Government and the construction industry could be improved.
	Employee relations			Slow progress made in developing employee relations plans to mitigate the increased level of labour unrest in South Africa. The South African operations improved their rating in terms of the Deloitte Best Company to Work For Survey and Cementation Canada is again rated as a Top 100 employer in Canada.

KPA	KPI		Comments
OPERATIONAL	Good governance	Weighting 7,5% Outcome 80%	The Group continues to implement good governance practices with a focus on legal compliance and King III application.
	Commercial management		Good progress made on the Gautrain and Dubai International Airport claims resolution, particularly with respect to the positive arbitration award on Gautrain. Positive outcomes on Oil & Gas platforms Ichthys and Wheatstone uncertified revenue positions. Ongoing improvement in contract management and lessons learnt practices across most operations.
	Project performance		It was disappointing that we incurred losses on some projects, however the quantum of these losses has steadily declined over the past four years. The project management development programme continues to be implemented but levels of participation are not yet satisfactory.
RISK	Health, wellness & safety	Weighting 7,5% Outcome 60%	Regrettably four employees lost their lives through work-related incidents. The LTIFR (0.79) rate was on target, with TRCR (4.26) above target. Both are however industry leading performances. There is continued focus on improving lead indicators with a total of 82,455 VFLs conducted.
	Risk management		There has been a continued improvement in risk management practices across the Group and internal audit is a well-established discipline and no material findings were reported.
	Environment		Environmental reporting and awareness has improved and no major environmental incidents were reported.

FY2015 LTI performance outcomes

Vesting of the 2012 FSP award

The three-year performance period for the November 2012 FSP award ended on 30 June 2015. The FY2012 FSP award comprised 2 927 000 awards as at 30 June 2015, with 656 000 awards to the executive directors and prescribed officers. Half of the award was based on ROICE performance, 25% on relative TSR performance and 25% on FCFPS. ROICE for the three year performance period was 19,9%, above the target of 15,6%, being WACC plus 3%. The Group's TSR over the performance period was disappointing at a negative compound rate of 17,2%, below threshold. Cumulative free cash flow was above the cash positive target with a positive free cash flow of 79 cents per share. As a result of this performance, 75% of the FY2012 FSP award will vest on 28 November 2015, subject to the continued employment of the executives to that date. The 25% of the award that did not meet the TSR performance condition lapsed on 25 August 2015. All FSP allocations awarded to Frank Saieva lapsed on his resignation.

Vesting and expiry of Share Option Scheme awards

The August 2011 Share Option Scheme included an allocation of retention share options and performance share options. The retention share options, which have a strike price of R25,24 per share, vested on 31 August 2014 and will expire on 30 August 2017. The performance share options were subject to a target performance condition of growth in the budgeted 2012 fully diluted HEPS for continuing operations of annual CPI + 5% cumulatively over the FY2012, FY2013 and FY2014 performance period. The actual HEPS for FY2014 of 205 cents per share, was below the threshold of 297 cents, resulting in the forfeiture of all the performance share options allocated.

The remaining July 2008 and August 2008 share option allocations under the historical Share Option Scheme expired on 1 July 2014 and 26 August 2014 respectively as the share price was below the respective strike prices of these share options.

LTI awards granted in 2015

An allocation of forfeitable shares was made in March 2015 and in September 2015 under the FSP.

The March 2015 FSP award was a retention award for select executives including the executive directors and prescribed officers and will vest on 1 March 2018. A total number of 857 000 forfeitable shares were allocated, of which 507 000 forfeitable shares to the value of R9,7 million were allocated to the executive directors and prescribed officers. The vesting of the award is subject to meeting the following performance conditions for the three-year performance period from 1 July 2014 to 30 June 2017:

March 2015 FSP award

Criteria	Performance condition	Target	Weighting
ROICE	Average Return on Invested Capital Employed over the performance period	WACC plus 3% over the period	50%
TSR	Relative Total Shareholder Return over the performance period	100% relative to peers	25%
FCFPS	Free Cash Flow per Share generated over performance period	Cumulative forecast cash flow over the period	25%

Threshold for the March 2015 award is set at 80% of the above target, with 80% of the award vesting at threshold performance and 100% for on-target performance, with commensurate linear vesting between these points, with no vesting for below threshold performance.

The September 2015 FSP is the annual allocation of forfeitable shares to senior executives including the executive directors and prescribed officers and will vest on 1 September 2018. A total number of 8 332 000 forfeitable shares were allocated, of which 2 444 500 forfeitable shares to the value of R30,7 million were allocated to the executive directors and prescribed officers. The allocation took job grade, individual performance and retention risk into consideration. For affordability reasons, the allocations were 15% less than the allocation levels outlined in the remuneration policy. The executives will give no consideration for the award or settlement of the award.

The vesting of the September 2015 FSP award is subject to meeting performance conditions for the three year performance period from 1 July 2015 to 30 June 2018 as shown in the table below.

Thirty percent of the award will vest at threshold and 100% at target, with no vesting for below-threshold performance. Linear vesting will apply between these points. The remuneration committee considers the performance targets to be stretching in the context of the Group's business strategy and the market conditions.

Peer companies to be used for the TSR performance measure are Aveng, Group 5, WBHO, Basil Read and Stefanutti Stocks.

Settlement of the March 2015 FSP award was by way of a market purchase and the September 2015 FSP award was settled through a market purchase and use of the shares that lapsed under the November 2012 FSP award, thereby not resulting in any dilution to shareholders.

The aggregate number of shares at any one time which may be allocated under the Share Option Scheme and the FSP will currently not exceed 22 236 806 shares. This represents 5,0% of the number of shares currently in issue. As at 30 June 2015 there were 6 656 920 shares allocated under the Share Option Scheme and 9 877 231 shares under the FSP, which is less than the aggregate cap. This includes FSP awards under the STI deferral. It should however be noted that these shares were not allocated by way of an issue of shares and as such are not dilutive.

The maximum number of shares allocated to any participant in respect of all unvested awards under the FSP and the Share Option Scheme, will not exceed 2 223 681 shares. This represents 0,5% of the number of shares currently in issue. As at 30 June 2015, the Group chief executive had the highest number of unvested awards at 848 386 awards, representing 0,19% of the shares currently in issue, less than the cap.

September 2015 FSP award performance conditions

Criteria	Performance condition	Weighting	Threshold	Target for maximum vesting
ROICE	Average Return on Invested Capital Employed over the performance period	50%	WACC	WACC plus 4%
TSR	Relative Total Shareholder Return over the performance period	25%	Combined peer TSR CAGR x 90%	Combined peer TSR CAGR + 5%
FCFPS	Free Cash Flow per Share generated over performance period	25%	80% of Budgeted FCF	120% of Budgeted FCF

An allocation of Conditional Rights under the CPSP will be made on 1 October 2015, to the value of AU$4.1 million to 39 executives, of which AU$2.6 million is allocated to the Clough executive officers including the Clough CEO. The allocation took job grade, individual performance and retention risk into consideration.

The vesting of the October 2015 CPSP award is subject to meeting performance conditions for the three year performance period from 1 July 2015 to 30 June 2018 as shown in the table below.

Eighty percent of the award will vest at threshold and 100% at target, with no vesting for below threshold performance. Linear vesting will apply between these points. The remuneration committee considers the performance targets to be stretching in the context of the Oil & Gas business platform strategy and the market conditions.

Peer companies to be used for the RGNPAT performance measure are Ausenco, Calibre Group, GR Engineering, Lycopdium, Monadelphous, Sedgman, Transfield Services, WorleyParsons and UGL.

The performance conditions will be evaluated over a three-year period and will run concurrently with Clough's financial year. The phantom shares will cliff vest, subject to the above performance conditions, three years from the award date.

The phantom shares will be settled in cash at the date of vesting. The monetary value to which a Clough executive will become entitled as a result of the vesting of phantom shares will be the deemed market value of a Clough share on vesting date multiplied by the number of phantom shares to vest. The executives will give no consideration for the award or settlement of an award.

2 013 500 shares were allocated under Vulindlela on 1 September 2015 to 127 executives. No shares under Vulindlela were allocated to executive directors and prescribed officers. The objective of Vulindlela is to provide black executives the opportunity to become shareholders in Murray & Roberts and as an attraction and retention incentive. In addition, Vulindlela aims to align the interests of black executives with those of the shareholders. The beneficiaries of Vulindlela are black (African, Coloured and Indian) South African citizens, who are employed on a permanent basis within the Group as top, senior and middle managers. Allocations are based on management band, performance and potential of the individual and the number of shares allocated was determined with reference to the face value of shares to be allocated relative to the employee's guaranteed pay. Black executives who are top or senior executives as members of operating company executive committees were allocated shares under the FSP.

October 2015 CPSP award performance conditions

Criteria	Performance condition	Target	Weighting
ROICE	Clough's Average Return on Invested Capital Employed	Clough WACC + 3%	25%
ROE	Clough's Average Return on Equity	17,5% through the cycle	25%
RGNPAT	Clough's Relative Growth in Net Profit After Tax	100% relative to peers	25%
FCF	Clough's Free Cash Flow generated	Budget for performance period	25%

Remuneration outcomes for non-executive directors

The remuneration policy for the non-executive directors set out in the remuneration policy report applied in FY2015, other than the proposed introduction of a multi-currency director's fee structure and travel allowance for the proposed Australian resident non-executive director. The remuneration of non-executive directors for the year ended 30 June 2015 was:

Non-executive director's remuneration

	Directors' fees R'000	Non-attendance R'000	Special board R'000	Committee fees R'000	Chairman's fee R'000	**Total 2015 R'000**	Total 2014 R'000
DD Barber	255	–	40	323	–	**618**	562
TCP Chikane[1]	–	–	–	–	–	**–**	66
R Havenstein[2]	235	–	40	204	–	**479**	–
NB Langa Royds	255	–	40	278	–	**573**	569
JM McMahon	255	–	40	526	–	**821**	767
WA Nairn[3]	125	–	40	166	–	**331**	549
M Sello	–	–	–	–	1 253	**1 253**	1 151
RT Vice	255	–	40	454	–	**749**	715
	1 380	–	240	1 951	1 253	**4 824**	4 379

1 Resigned on 20 August 2013.
2 Appointed 1 August 2014.
3 Retired on 1 January 2015.

DETAILED GROUP DIRECTORATE

NON-EXECUTIVE DIRECTORS

MAHLAPE SELLO
INDEPENDENT NON-EXECUTIVE DIRECTOR
Master of Arts in Law, LLB

Mahlape was appointed to the Board in 2009 and became chairman in 2013. She is chairman of the nomination committee and a member of the social & ethics, health, safety & environment and the remuneration & human resources committees. She is also a trustee of The Murray & Roberts Trust. Mahlape is an Advocate of the High Court of South Africa and member of the Johannesburg Society of Advocates. She is member of the South African Law Reform Commission and the chairperson of the Advertising Industry Tribunal of the Advertising Standards Authority of South Africa.

DAVID (DAVE) DUNCAN BARBER
INDEPENDENT NON-EXECUTIVE DIRECTOR
FCA, AMP

Dave was appointed to the Board in 2008. He is chairman of the audit & sustainability committee and a member of the risk management committee. Dave was formerly the global chief financial officer of Anglo Coal, a division of the Anglo American Plc Group with operations in Australia, Canada, Venezuela, Colombia, China and South Africa as well as chief financial officer of Anglo American Corporation of South Africa. The majority of his career was spent in the Anglovaal Group prior to its unbundling where he held the position of group chief financial officer. He has served as a non-executive director and member of the audit committee for several companies, including AFGRI, Anglo Platinum, Barnard Jacobs Mellet Holdings, Telkom, Highveld Steel and Vanadium Corp. His career has also included positions within PricewaterhouseCoopers, Fedsure and SA Breweries.

RALPH HAVENSTEIN
INDEPENDENT NON-EXECUTIVE DIRECTOR
BCom, MSc Chem Eng

Ralph was appointed to the Board in August 2014. He is the chairman of the health, safety & environment committee and a member of the social & ethics committee. Ralph is a chemical engineer and has completed a Senior Executive Programme at the Stanford Graduate School of Business. Ralph has experience in the petrochemical and mining sectors, and currently serves as a non-executive director on the boards of Northam Platinum and Omnia Holdings. Ralph is a past chief executive officer of Anglo American Platinum, as well as Norilsk Nickel International. Ralph was previously vice president of the SA Chamber of Mines and was a director of Mintek (South Africa).

SURESH PARBHOO KANA
INDEPENDENT NON-EXECUTIVE DIRECTOR
MCom, CA(SA)

Suresh was appointed to the Board in July 2015 and is a member of the audit & sustainability, remuneration & human resources and risk management committees. He is also trustee of the Murray & Roberts Trust. Suresh is a Chartered Accountant and retired as the Territory Senior Partner for PricewaterhouseCoopers Africa in June 2015. He has held a number of senior positions in PricewaterhouseCoopers since joining as an articled clerk in 1976. He is a member of the King Committee on Governance in South Africa and was the Chairman of SAICA. He currently serves as a non-executive director of the JSE Limited, Imperial Holdings Ltd and Illovo Sugar Ltd.

EXECUTIVE DIRECTORS

ANDRIES JACOBUS (COBUS) BESTER
GROUP FINANCIAL DIRECTOR
BCom (Acc) Hons, CA(SA)

Cobus joined Concor in 1998 and following the acquisition of Concor by Murray & Roberts in 2006 was appointed to the Murray & Roberts Limited Board in 2007 and the Murray & Roberts Holdings Board in July 2011. Cobus is the chairman of Murray & Roberts International Holdings, and a director of Clough Limited. Cobus is the chairman of the Bombela Operating Company and has overall management responsibility for Murray & Roberts Concessions. He was previously group financial director for Basil Read and Concor for three and six years respectively and managing director of Concor between 2005 and 2011. He has extensive experience in the construction and engineering industry.

HENRY JOHANNES LAAS
GROUP CHIEF EXECUTIVE
BEng (Mining), MBA

Henry joined the Group in 2001 and was appointed to the Board and as Group chief executive in July 2011. He is a member of the health, safety & environment committee. Henry is chairman of Murray & Roberts Limited, Clough Limited and the Bombela Concession Company and he is a director of Murray & Roberts International Holdings. He played an instrumental role in the global expansion of the Underground Mining business platforms and has a strong track record of successful resolution of complex commercial matters and business strategy development and implementation. Henry was previously an executive director of Murray & Roberts Limited responsible for the Group's engineering business.

XOLANI HUMPHREY MKHWANAZI

INDEPENDENT NON-EXECUTIVE DIRECTOR

MSc PhD (Applied Physics)

Xolani joined the Board in August 2015 and is a member of the risk management and health, safety and environment committees. Xolani is a physicist with an MSc and PhD in Applied Physics from the University of Lancaster (UK) and has completed an Executive Development Programme at the University of the Witwatersrand, in partnership with Harvard University. He is currently a non-executive director of South 32 Limited. Xolani has experience in the power, engineering and mining sectors, and was chairman of BHP Billiton's South African Operations, having joined BHP after establishing Bateman Africa as the first BBBEE engineering company. Prior to that, Xolani played an important role in the restructuring of the electricity supply industry in South Africa, heading up the National Electricity Regulator. He has also worked at the CSIR, the Atomic Energy Corporation and spent time as a physics researcher in Australia.

NOMALIZO (NTOMBI) BERYL LANGA-ROYDS

INDEPENDENT NON-EXECUTIVE DIRECTOR

BA (Law), LLB

Ntombi was appointed to the Board in June 2013. She is chairman of the social & ethics committee and a member of the remuneration & human resources committee. She is also a trustee of The Murray & Roberts Trust. She has more than 25 years' experience in human resources. Ntombi is an independent non-executive director of African Bank Investments and Mpact. She has previously served as a non-executive director of PPC, Exhibitions for Africa, Momentum Health, Momentum Insurance Group, Primedia Publishing, Respiratory Care Africa, Human Capital Institute (Africa), Columbus Stainless Steel and Sun Air Airlines.

JOHN MICHAEL MCMAHON

INDEPENDENT NON-EXECUTIVE DIRECTOR

PrEng, BSc Eng

Michael was appointed to the Board in 2004. He is the chairman of the risk management committee, and a member of the nomination and the audit & sustainability committees. He was formerly the chairman of Central Rand Gold, Gencor and Impala Platinum Holdings, and a director of Gold Fields. Michael was a project manager at Murray & Roberts during the 70s.

ROYDEN THOMAS VICE

INDEPENDENT NON-EXECUTIVE DIRECTOR

BCom, CA(SA)

Royden was appointed to the Board in 2005. He is chairman of the remuneration & human resources committee and a member of the risk management, the audit & sustainability and the nomination committees. He is also a trustee of The Murray & Roberts Trust. Royden is chairman of Hudaco Industries, Waco International and Puregas, a Governor of Rhodes University and a director of Life Healthcare. He was previously the chief executive officer of Waco International and of Industrial and Special Products at UK-based BOC Group, chairman of African Oxygen (Afrox), Afrox Healthcare and Consol Glass.

LAMBERTUS (BERT) KOK

GROUP SECRETARY

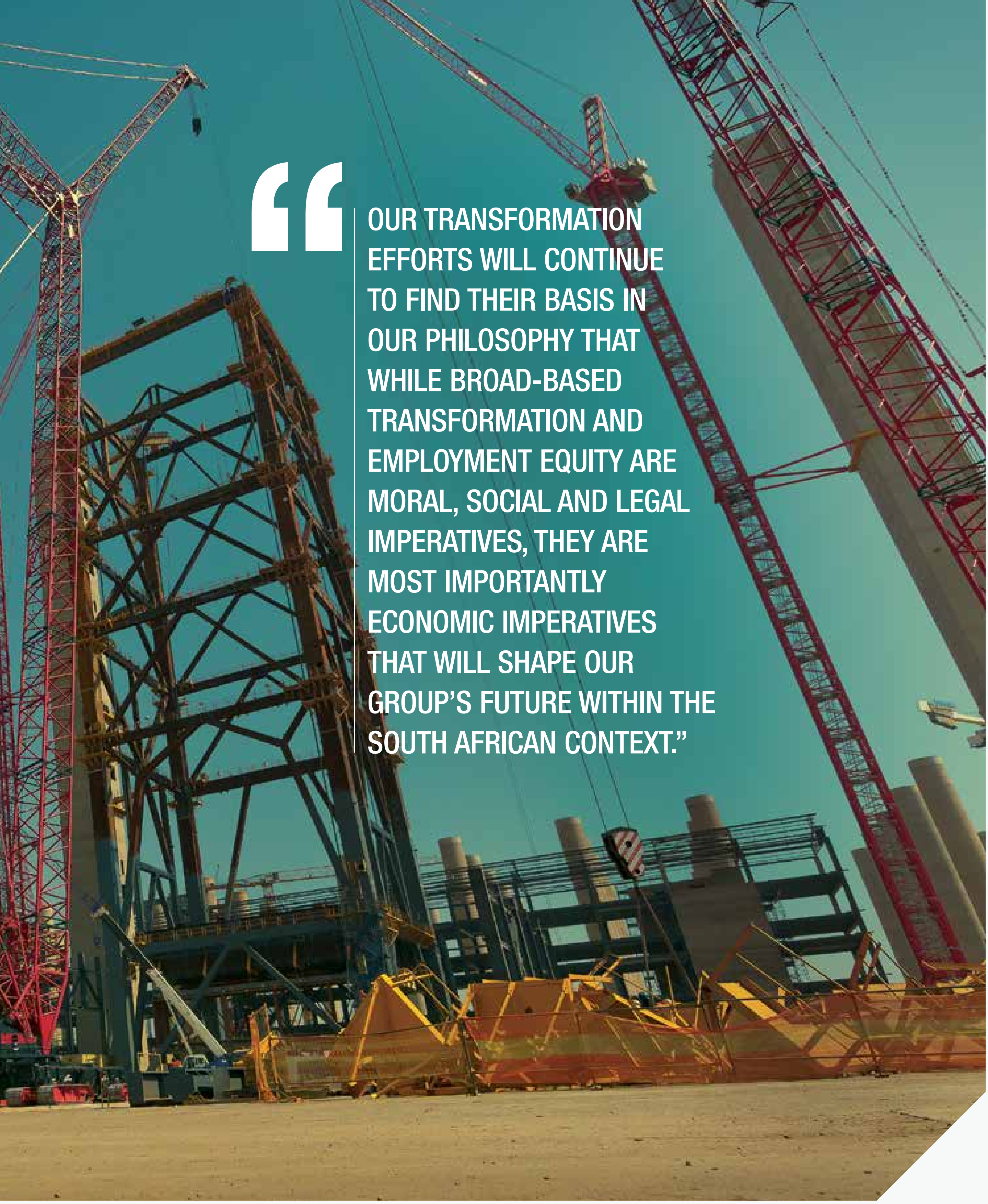
FCIS, FCIBM

Bert joined the Group in 2011 and was appointed as Company secretary in February 2014. He is also the company secretary of the Bombela Concession Company. Bert has more than 10 years' experience as a company secretary in a listed company environment. He was previously a director of Chartered Secretaries Southern Africa and its past president in 2010.

NON-EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR
GROUP SECRETARY

05

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS



"OUR TRANSFORMATION EFFORTS WILL CONTINUE TO FIND THEIR BASIS IN OUR PHILOSOPHY THAT WHILE BROAD-BASED TRANSFORMATION AND EMPLOYMENT EQUITY ARE MORAL, SOCIAL AND LEGAL IMPERATIVES, THEY ARE MOST IMPORTANTLY ECONOMIC IMPERATIVES THAT WILL SHAPE OUR GROUP'S FUTURE WITHIN THE SOUTH AFRICAN CONTEXT."

RESPONSIBILITY OF DIRECTORS FOR ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2015

The directors of Murray & Roberts Holdings Limited ("Company") and Murray & Roberts Holdings Limited and its subsidiaries ("Group") are responsible for the preparation of the annual financial statements that fairly present the state of affairs of the Company and the Group at the end of the financial year and of the profit or loss and cash flows for that year in accordance with International Financial Reporting Standards ("IFRS") and per the requirements of the Companies Act 71 of 2008 (as amended) ("Companies Act"). The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information.

To enable directors to meet these responsibilities:

a) The Board and management set standards and management implement systems of internal controls, accounting and information systems; and

b) The Audit & Sustainability Committee recommends Group accounting policies and monitors these accounting policies.

The directors are responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and loss. The systems are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties.

The internal audit function is led by the Group internal audit executive and comprises both internal employees and resources from KPMG. It serves management and the Board by performing an independent evaluation of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets and adherence to laws and regulations.

Even though the Group has identified certain financial control weaknesses which are currently being addressed, the Group's system of internal controls continues to provide a basis for the preparation of reliable annual financial statements in all material aspects.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa and are based on appropriate accounting policies, supported by reasonable judgements. These accounting policies have been applied consistently compared to the prior year except for the adoption of new or revised accounting standards as set out in note 46. The annual financial statements have been compiled under the supervision of AJ Bester (CA)SA, (Group financial director) and have been audited in terms of Section 29(1) of the Companies Act of South Africa.

The directors are of the opinion that the Company and the Group have adequate resources to continue in operation for the foreseeable future based on forecasts and available cash resources and accordingly the annual financial statements have been prepared on a going concern basis.

It is the responsibility of the auditors to express an opinion on the consolidated and separate annual financial statements. For their unmodified report to the shareholders of the Company and Group refer to the online integrated report.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the Company and the Group for the year ended 30 June 2015, is available in the online integrated report, and were approved by the board of directors at its meeting held on 26 August 2015 and are signed on its behalf by:

M Sello
Group chairman

HJ Laas
Group chief executive

AJ Bester
Group financial director

CERTIFICATION BY COMPANY SECRETARY

for the year ended 30 June 2015

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended ("Companies Act"), I, L Kok, in my capacity as Group company secretary, confirm that, to the best of my knowledge and belief, for the year ended 30 June 2015, Murray & Roberts Holdings Limited has filed with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.

L Kok
Company secretary
26 August 2015

AUDIT & SUSTAINABILITY COMMITTEE REPORT

for the year ended 30 June 2015

The Audit & Sustainability Committee ("Committee") assists the Board to fulfil its supervisory role to ensure the integrity of financial reporting in terms of accounting standards and the JSE Listings Requirements. It does so by evaluating the findings of the internal and external auditors, remedial actions taken and the adequacy and effectiveness of the system of internal financial controls required to form the basis for the preparation of reliable financial statements. The Committee operates under a terms of reference which was reviewed and approved by the Board during the year.

The Committee chairman reports on committee deliberations and decisions at the Board meeting immediately following each committee meeting. The internal and external auditors have unrestricted access to the Committee chairman. The independence of the external auditor is regularly reviewed and all non-audit related services are pre-approved and notified.

The Committee reviews the quality and effectiveness of the external audit process. The Committee is satisfied that the external auditor is independent and has nominated Deloitte & Touche for re-election at the forthcoming annual general meeting of shareholders. Deloitte & Touche is a properly accredited auditing firm with AJ Zoghby as the individual registered auditor.

MEMBERSHIP

DD Barber serves as chairman of the Committee, with JM McMahon and RT Vice as members, all of whom are suitably skilled and experienced to discharge their responsibilities in compliance with the Companies Act of South Africa. SP Kana joined the Committee from 1 July 2015, subject to approval by shareholders at the AGM.

The Group chairman, Group chief executive, Group financial director, Group commercial executive, Group internal audit executive and the external auditors all attend meetings by invitation. The chairman of the Committee also serves on the Risk Management Committee. This ensures that overlapping responsibilities are appropriately addressed.

TERMS OF REFERENCE

The Committee's responsibilities include:

- Assisting the Board to fulfil its responsibility with regard to financial and auditing oversight including internal financial controls;
- Monitoring and reviewing the Group's accounting policies, disclosures and financial information issued to stakeholders;
- Making recommendations to the Board to ensure compliance with IFRS;
- Discussing and agreeing the scope, nature and priority of the external and internal audits including the reviewing of the quality and effectiveness of the external audit process;
- Nominating an independent auditor for shareholder approval, terms of audit engagement, determining external auditor fees, the nature and extent of non-audit related services and pre-approving contracts for non-audit related services;
- Reviewing fraud and information technology risk as they relate to financial reporting;
- Receiving and dealing appropriately with any complaints relating to either accounting practices and internal audit or to the content or auditing of entities in the Group's annual financial statements or related matters;
- Reviewing the annual integrated report and recommending approval to the Board;
- Reviewing price-sensitive information such as trading statements; and
- Performing functions required of an audit committee on behalf of subsidiaries incorporated in the Republic of South Africa.

ASSESSMENT

The Committee evaluated its performance and effectiveness by way of self-assessment questionnaires. Based on the results, the Committee believes that it functions effectively and has complied with its terms of reference in all material respects.

STATUTORY DUTIES

In addition to the duties set out in the terms of reference, the Committee performed the required statutory functions in terms of Section 94(7) of the Companies Act.

FINANCIAL DIRECTOR AND FINANCE FUNCTION

The Committee considered and satisfied itself of the appropriateness of the expertise, experience and performance of the Group financial director during the year. The Committee also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function as well as the experience of senior members of management responsible for the finance function.

INTERNAL AUDIT

The Group audit executive leads the internal audit function which covers the global operations and are resourced with both internal employees and resources obtained from KPMG. It assists the Board and management in maintaining an effective internal control environment by evaluating those controls continuously, using a risk-based approach, to determine whether they are adequately designed, operating efficiently and effectively, and to recommend improvements. The internal audit assurance provided consists of independent evaluations of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets (including fraud prevention) and adherence to laws and regulations. It includes a review of strategic risk mitigations, a risk-based review of major projects, key business processes and systems, the Group's sustainability information, IT governance and IT general controls. An integrated assurance model was applied to ensure a coordinated approach to all assurance activities, appropriate to address the significant risks facing the Group.

The annual plan is based on an assessment of risk areas internal audit and management identifies, as well as focus areas highlighted by the Audit Committee and management. The plan also considers work performed by other assurance providers in the Group. The annual audit plan is updated as appropriate to ensure it remains responsive to changes in the business. A comprehensive report on internal audit findings is presented to the Audit Committee quarterly. Follow-up audits are conducted in areas where major internal control weaknesses are found. The Audit Committee approved internal audit's risk-based audit plan for financial year 2016. The internal audit function reports directly to the Audit Committee and their mandate in relation to the internal audit function is to:

- Approve the appointment, performance and dismissal of the chief audit executive;
- Review and recommend to the Board for final approval, the internal audit charter including, inter alia, the purpose, authority and responsibility of the internal audit activity;
- Receive a summary report of the major findings of internal audit reports and management's response;
- Review the internal audit program, coordination between the internal and external auditors and the resourcing and standing within the Company of the internal audit function;
- Monitor and evaluate the performance of the internal audit function in terms of agreed goals and objectives;
- Receive confirmation that Group internal audit is in general conformance with the IIA's International Standards for the Professional Practice of Internal Auditing; and
- Ensure that the chief audit executive has unrestricted access to the chairman of the Audit Committee.

An internal audit charter, reviewed by the Committee and approved by the Board, formally defines the purpose, authority and responsibility of the internal audit function.

The charter gives the chief audit executive direct access to the chief executive officer, Group financial director, chairman of the Audit Committee and chairman of the Board.

The chief audit executive has unfettered access to board and committee minutes and submissions, and the risk register of the Group and operations.

INTERNAL FINANCIAL CONTROLS

The internal audit plan works on a multi-year programme and based on the reviews and findings to date, except in one platform, of the Group's system of internal control and risk management in 2015, which included the design, implementation and effectiveness of internal control and considering information and explanations provided by management and the results of the external audit, the Group's system of financial controls provides a reasonable basis for the preparation of reliable annual financial statements in all material aspects. In one platform there has been a new enterprise wide computer system implementation. As all controls were not yet in place additional testing was required to ensure the accuracy of the annual financial statements.

AUDIT AND ADMINISTRATION

Financial leadership in Murray & Roberts caters for growth in the business, including ongoing employment and redeployment of senior financial executives. The Group financial director and lead external audit partner attend selected contract and subsidiary reviews throughout the year. Audit close-out meetings are held between external auditors and operational management at year-end. A detailed audit summary memorandum is prepared for all Group operating entities and a consolidated report is presented to the Committee. There is an agreed procedure for the Committee to seek professional independent advice at the Company's expense.

INTEGRATED REPORTING

During the year under review, external service providers were appointed to provide assurance on the sustainability information. The Committee recommended the integrated report and the Group's financial statements for Board approval. It is satisfied that they comply with IFRS on a going concern basis following an assessment of solvency and liquidity requirements.

ASSURANCE

Group assurance activities are embedded, sound and are continuously reviewed and where required redirected to ensure appropriate and effective coverage of the Group's operations, implementation of King III principles and recommendations, and sustainability assurance.

The Group's commitment to continuous improvement in achieving acceptable levels of assurance is underscored by various policy frameworks that were developed and implemented, including a stakeholder management framework, regulatory compliance and information management frameworks. The Opportunity Management System was developed in-house and continues to be enhanced to highlight project risks entering the Group's environment.

The multi-year rolling internal audit plan is designed to provide assurance that the major risks and key processes are effectively mitigated and managed, to recommend improvements and track the implementation of audit recommendations.

The Group Integrated Assurance Framework governs and coordinates the overall approach to Group risk management. This entails understanding, identifying, reporting, managing and mitigating Group risk, and includes the process of independently auditing Group policies, plans, procedures, practices, systems, controls and activities to ensure that the Group achieves the level of operational efficiency and compliance required by the Board.

The efforts of the various internal and external assurance providers are coordinated to ensure coverage of agreed risk areas and to minimise duplication and eliminate gaps.

DD Barber
26 August 2015

BASIS OF PREPARATION

The Group operates in the construction, engineering and mining 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 the Business Platform Reviews for a more detailed report on the performance of the different operating platforms within the Group.

The summarised consolidated financial statements have been derived from the Group's consolidated financial statements for the year ended 30 June 2015, which were approved by the Board of directors on 26 August 2015. The summarised consolidated financial statements are consistent in all material respects with those consolidated financial statements. These summarised consolidated financial statements comprise a consolidated statement of financial position at 30 June 2015, a consolidated statement of financial performance, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended. The complete set of consolidated financial statements was compiled under the supervision of AJ Bester (CA)SA, Group financial director. The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The Group's consolidated financial statements for the year ended 30 June 2015 were audited by the auditor, Deloitte & Touche, on which an unmodified audit opinion was expressed on 26 August 2015.

The complete set of the consolidated financial statements together with the auditor's report is available in the online integrated report at www.murrob.com.

REPORT OF DIRECTORS

for the year ended 30 June 2015

This report presented by the directors is a constituent of the consolidated annual financial statements at 30 June 2015, except where otherwise stated. All monetary amounts set out in tabular form are expressed in millions of Rands, except where otherwise stated.

1 NATURE OF BUSINESS

MAIN BUSINESS AND OPERATIONS

Murray & Roberts Holdings Limited is an investment holding company with interests in the construction & engineering, underground mining development and oil & gas markets.

The Company does not trade and all of its activities are undertaken through a number of subsidiaries, joint arrangements and associates. Information regarding the Group's major subsidiaries and associate companies appears in Annexure 1 of the consolidated financial statements.

GROUP FINANCIAL RESULTS

At 30 June 2015 the Group recorded earnings of R881 million (2014: R1 261 million), representing diluted earnings per share of 213 cents (2014: diluted earnings per share of 305 cents). Diluted headline earnings per share was 207 cents (2014: diluted headline earnings per share of 217 cents).

Full details of the financial position and results of the Group are set out in these consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 46.

GOING CONCERN

The Board is satisfied that the consolidated and separate financial statements comply with International Financial Reporting Standards on a going concern basis following an assessment of solvency and liquidity requirements.

The directors are of the opinion that the Company and the Group have adequate resources to continue in operation for the foreseeable future based on forecasts and available cash resources and accordingly the annual financial statements have been prepared on a going concern basis.

UNCERTIFIED REVENUE

Included in amounts due from contract customers in the statement of financial position is the Group's share of uncertified revenue that has been recognised through the statement of financial performance in current and prior periods in respect of claims and variation orders on projects (refer to note 9 of the consolidated financial statements), mainly related to Gautrain Rapid Rail Link ("Gautrain") and Dubai International Airport Concourse 2 ("Dubai International Airport").

A cumulative total revenue of R2 158 million being amounts due from contract customers, has been recognised in the statement of financial position at 30 June 2015 (2014: R1 550 million) as the Group's share of uncertified revenue in respect of claims and variation instructions on the Group's projects. Recognition of these assets is supported by the Group's independent experts and advisers, and in accordance with IAS 11: *Construction Contracts*.

The legal process in the Gautrain Delay & Disruption Claim is still in progress. Due to the complexity of this arbitration, the initial arbitration hearings were focussed on addressing the legal interpretation of various clauses in the Gautrain concession agreement. The Group reported on 8 July 2015 that the first two arbitration rulings (the right to proceed with a claim for additional costs incurred on two cantilever bridges and to an extension of time and compensation due to late handover of land) were largely in favour of the Bombela Concession Company. The legal basis of these claims have now firmly been established. The merit and quantum hearings will only be heard as from the first quarter of calendar year 2016 with financial conclusion only likely the following year. Any award will attract interest dating from 2009 to the date of award.

Resolution of these extremely complex legal and financial claims and variation instructions have yet to be finalised, and may be subject to arbitration and/or negotiation. This could result in a materially higher or lower amount being awarded finally, compared to that recognised in the statement of financial position at 30 June 2015.

SEGMENTAL DISCLOSURE

The Group repositioned its brand in the minds of shareholders and stakeholders in the previous financial year. However, the Energy & Industrial operating platform has been renamed to Power & Water to better represent the primary market sector to be serviced by this platform. An analysis of the Group's results reflects the results and financial position of each platform (refer to Annexure 3 of the consolidated financial statements).

2 AUTHORISED AND ISSUED SHARE CAPITAL

Full details of the authorised and issued capital of the Company at 30 June 2015 are contained in note 12 of the consolidated financial statements.

Particulars relating to The Murray & Roberts Trust ("Trust") are set out in note 13 of the consolidated financial statements.

At 30 June 2015 the Trust held 30 150 (2014: 30 150) shares against the commitment of options granted by the Trust totalling 6 656 920 (2014: 7 974 970) ordinary shares. The shares held by the Trust were purchased in the market and have not been issued by the Company.

Particulars relating to the Letsema Vulindlela Black Executives Trust ("Vulindlela Trust") are set out in note 13 of the consolidated financial statements. During the year the Vulindlela Trust granted a total of 1 416 500 shares (2014: 652 000 shares) to black executives as part of the Group's BBBEE.

At 30 June 2015 the Vulindlela Trust held 10 648 635 (2014: 10 675 904) shares against the commitment of shares granted by the Vulindlela Trust totalling 4 593 432 (2014: 3 544 500) ordinary shares. The shares held by the Vulindlela Trust were purchased in the market and have not been issued by the Company.

The total number of ordinary shares that may be utilised for purposes of the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("Scheme") is limited to 5,0% (2014: 7,5%) of the total issued ordinary shares of the Company, currently 22 236 806 (2014: 33 189 262) ordinary shares. As no shares have been issued to date in connection with the Scheme, this limit remains unutilised.

In terms of the Forfeitable Share Plan ("FSP") employees were allocated shares during the year by the remuneration committee totalling 5 036 345 shares (2014: 3 151 543). The shares held by the entities, in escrow, were purchased in the market and have not been issued by the Company.

3 DIVIDEND

The Board has considered and approved a new dividend policy. The dividend payment is subject to an annual review, as distributions may be influenced by global market conditions, possible merger and acquisition activity and/or relative balance sheet strength. In terms of this policy the Board will consider paying an annual dividend, of between three and four times earnings cover.

The Board has declared a gross annual dividend of 50 cents per ordinary share in respect of the year ended 30 June 2015 and will be subject to the dividend tax rate of 15%, which will result in a net dividend of 42,5 cents per share to those shareholders who are not exempt from paying dividend tax.

The dividend has been declared from income reserves.

In terms of the Dividends Tax effective 1 April 2012, the following additional information is disclosed:

- The number of shares in issue at the date of this declaration is 444 736 118 and the Company's tax reference number is 9000203712.

4 SUBSIDIARIES AND INVESTMENTS

ACQUISITIONS

ACQUISITION OF CH-IV INTERNATIONAL LLC ("CH-IV")

Clough Limited ("Clough") acquired 100% of the shares of CH-IV on 6 August 2014, a boutique engineering company based in the United States of America ("USA") and highly regarded in liquefied natural gas ("LNG") concept, Front End Engineering and Design, detailed design and owner's engineering arena, with capabilities across micro, midscale and large scale LNG developments, for a consideration of R57 million.

ACQUISITION OF BWA HOLDINGS LIMITED ("BOOTH WELSH")

Clough acquired 100% of the shares in Booth Welsh on 4 September 2014, a privately owned engineering services company based in Ayrshire, Scotland. Booth Welsh specialises in the provision of electrical, instrumentation and automation design, process consultancy, project management, implementation and commissioning services, for a consideration of R79 million.

ACQUISITION OF AQUAMARINE WATER TREATMENT ("AQUAMARINE")

The Group completed the acquisition of the assets, liabilities and business of Aquamarine on 1 October 2014 for a consideration of R28 million, with a R2 million contingent consideration.

This is a company that designs, manufactures and installs water treatment solutions, and offers a complete customised solution, including support for and maintenance of its installations. Aquamarine currently operates in a niche market for mainly small-to-medium size installations and has developed a network of resellers throughout the African continent that serves as an extended business development network.

DISPOSALS

DISPOSAL OF NON-CORE ASSETS

The Group disposed of the majority of its Tolcon businesses' assets and liabilities, effective 31 August 2014 for a gross consideration of R186 million (R132 million net of working capital adjustment, transaction costs and other adjustments). Of the total consideration, R112 million was received on the effective date and R20 million was deferred; receivable within 24 months from closing date. Earlier payment of the deferred consideration is subject to certain contractual conditions. To date R10 million of the deferred consideration has been received in payments of R5 million each during November 2014 and January 2015 respectively. R10 million of the deferred consideration is still payable within 24 months from closing date; the timing of which is dependent on the meeting of certain contractual conditions. The Group recognised a profit on sale of R11 million in profit from discontinued operations.

The agreements for the disposal of the remaining Tolcon businesses, comprising of Cape Point Partnership, Entilini Operations Proprietary Limited and the investment in Entilini Concession Proprietary Limited, are finalised and final conditions precedent are expected to be met within the first half of the next financial year.

The disposal excludes the Group's investment in Bombela Concession Company Proprietary Limited and 23,9% investment in Bombela Operating Company Proprietary Limited.

REPORT OF DIRECTORS CONTINUED

DISCONTINUED OPERATIONS

This comprises of the Tolcon businesses in the current year, the prior year included four months of trading from the Construction Products Africa operations.

5 SPECIAL RESOLUTIONS

During the year under review the following special resolutions were passed by shareholders:

1) The proposed fees payable quarterly in arrears to non-executive directors
2) General authority to repurchase shares
3) Financial assistance to related or inter-related companies

In terms of the Companies Act requirements, special resolutions relating to the sale of certain businesses were passed by subsidiary companies.

6 EVENTS AFTER REPORTING DATE

The directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in the Group and Company financial statements, which significantly affects the financial position at 30 June 2015 or the results of its operations or cash flows for the year then ended.

7 INTEREST OF DIRECTORS

A total of 1 609 340 (2014: 1 609 340) share options are allocated to directors in terms of the Murray & Roberts Holdings Limited Employee Share Incentive Scheme, further details are set out in note 13.

The directors of the Company held direct beneficial interests in 25 592 ordinary shares of the Company's issued ordinary shares (2014: 15 892 ordinary shares). Details of ordinary shares held per individual director are listed below and also set out in note 42.

BENEFICIAL	Direct	Indirect
30 June 2015		
DD Barber	**2 723**	**–**
AJ Bester	**17 425**	**508 000**
HJ Laas	**5 444**	**743 500**
30 June 2014		
DD Barber	2 723	–
AJ Bester	13 169	267 000
HJ Laas	–	374 500

At the date of this report, these interests remain unchanged.

8 DIRECTORS

At the date of this report, the directors of the Company were:

INDEPENDENT NON-EXECUTIVE

M Sello (chairman); DD Barber; R Havenstein; NB Langa-Royds; JM McMahon and RT Vice.

WA Nairn resigned on 1 January 2015.

SP Kana was appointed on 1 July 2015 and XH Mkhwanazi on 1 August 2015.

EXECUTIVE

HJ Laas (Group chief executive) and AJ Bester (Group financial director).

9 COMPANY SECRETARY

L Kok

The company secretary's business and postal addresses are:

Postal address
PO Box 1000
Bedfordview
2008

Business address
Douglas Roberts Centre
22 Skeen Boulevard
Bedfordview
2007

10 AUDITORS

Deloitte & Touche continued in office as external auditors. At the annual general meeting of 5 November 2015, shareholders will be requested to re-appoint Deloitte & Touche as external auditors for the 2016 financial year. AJ Zoghby will be the individual registered auditor who will undertake the audit.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	2	**3 020,8**	3 248,4
Investment properties	3	**17,5**	–
Goodwill	4	**635,8**	486,4
Other intangible assets	5	**208,1**	118,0
Investment in joint venture	37	**46,0**	–
Investments in associate companies	6	**27,7**	23,7
Other investments	7	**710,4**	671,6
Deferred taxation assets	21	**596,3**	426,5
Amounts due from contract customers	9	**2 259,5**	2 087,7
Non-current receivables		**121,4**	260,7
Total non-current assets		**7 643,5**	7 323,0
Current assets			
Inventories	8	**261,2**	326,4
Amounts due from contract customers	9	**6 204,1**	5 683,8
Trade and other receivables	10	**1 656,6**	1 765,5
Current taxation assets	34	**63,2**	5,2
Derivative financial instruments		**0,1**	–
Cash and cash equivalents	11	**2 890,6**	4 300,5
Total current assets		**11 075,8**	12 081,4
Assets classified as held-for-sale	31	**83,6**	406,2
Total assets		**18 802,9**	19 810,6
EQUITY AND LIABILITIES			
Equity			
Stated capital	12	**2 585,9**	2 692,8
Reserves	14 & 15	**1 343,7**	1 408,7
Retained earnings		**2 568,5**	1 802,8
Equity attributable to owners of Murray & Roberts Holdings Limited		**6 498,1**	5 904,3
Non-controlling interests	16	**24,9**	27,3
Total equity		**6 523,0**	5 931,6
Non-current liabilities			
Long term loans	18	**1 140,6**	455,2
Retirement benefit obligations	19	**16,2**	7,4
Long term provisions	20	**264,3**	323,9
Deferred taxation liabilities	21	**133,1**	141,7
Subcontractor liabilities	22	**871,8**	762,8
Non-current payables		**99,8**	217,3
Total non-current liabilities		**2 525,8**	1 908,3
Current liabilities			
Amounts due to contract customers	9	**2 121,2**	2 325,5
Trade and other payables	23	**4 355,4**	4 336,2
Short term loans	24	**356,9**	2 283,5
Current taxation liabilities	34	**103,0**	89,8
Provisions and obligations	25	**293,3**	299,7
Subcontractor liabilities	22	**2 473,3**	2 509,4
Derivative financial instruments		**2,7**	3,7
Bank overdrafts	11	**43,9**	23,9
Total current liabilities		**9 749,7**	11 871,7
Liabilities directly associated with a disposal group held-for-sale	31	**4,4**	99,0
Total liabilities		**12 279,9**	13 879,0
Total equity and liabilities		**18 802,9**	19 810,6

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2015	2014
Continuing operations			
Revenue	26	**30 567,6**	36 039,0
Profit before interest, depreciation and amortisation		**1 742,6**	2 240,5
Depreciation		**(575,2)**	(685,0)
Amortisation of intangible assets		**(42,1)**	(22,8)
Profit before interest and taxation	27	**1 125,3**	1 532,7
Interest income	29	**82,0**	159,8
Interest expense	28	**(154,5)**	(217,1)
Profit before taxation		**1 052,8**	1 475,4
Taxation expense	30	**(194,0)**	(499,0)
Profit after taxation		**858,8**	976,4
Income from equity accounted investments		**3,1**	0,5
Profit for the year from continuing operations		**861,9**	976,9
Profit from discontinued operations	31	**32,2**	423,1
Profit for the year		**894,1**	1 400,0
Attributable to:			
Owners of Murray & Roberts Holdings Limited		**881,0**	1 261,1
Non-controlling interests	16	**13,1**	138,9
		894,1	1 400,0

Basic and diluted earnings per share were 218 cents (2014: 310 cents) and 213 cents (2014: 305 cents) respectively. For further details refer to note 32.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2015	2014
Profit for the year		**894,1**	1 400,0
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Effects of remeasurements on retirement benefit obligations	15	**(10,3)**	(3,6)
Other movements	15	**–**	2,7
		(10,3)	(0,9)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	14	**3,6**	163,9
Effects of cash flow hedges	14	**(1,2)**	(0,9)
Reclassification of amounts relating to cash flow hedges	14	**3,1**	–
Taxation related to effects of cash flow hedges	14	**1,3**	0,3
Reclassification adjustment relating to available-for-sale	15	**1,6**	–
Effects of available-for-sale financial assets	15	**–**	(0,1)
Other movements	15	**–**	(0,1)
		8,4	163,1
Other comprehensive (loss)/income for the year net of taxation		**(1,9)**	162,2
Total comprehensive income		**892,2**	1 562,2
Total comprehensive income attributable to:			
Owners of Murray & Roberts Holdings Limited		**879,1**	1 356,3
Non-controlling interests		**13,1**	205,9
		892,2	1 562,2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Stated capital	Hedging and translation reserve	Other capital reserves	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited	Non-controlling interests	Total equity
Balance at 30 June 2013	2 713,6	537,8	226,6	3 562,9	**7 040,9**	1 657,5	**8 698,4**
Total comprehensive income/(loss) for the year	–	96,3	(1,1)	1 261,1	**1 356,3**	205,9	**1 562,2**
Treasury shares acquired (net)	(20,8)	–	–	–	**(20,8)**	–	**(20,8)**
Acquisition of non-controlling interests[1]	–	511,3	(2,9)	(3 065,1)	**(2 556,7)**	(1 424,4)	**(3 981,1)**
Dividend paid as part of non-controlling interests acquisition[2]	–	–	–	–	**–**	(393,5)	**(393,5)**
Transfer to non-controlling interests	–	0,4	(3,2)	–	**(2,8)**	2,8	**–**
Disposal of businesses	–	–	(1,1)	–	**(1,1)**	(24,2)	**(25,3)**
Transfer to retained earnings	–	–	(56,1)	56,1	**–**	–	**–**
Issue of shares to non-controlling interests	–	–	–	–	**–**	6,2	**6,2**
Recognition of share-based payment	–	–	100,7	–	**100,7**	–	**100,7**
Dividends declared and paid[3]	–	–	–	(12,2)	**(12,2)**	(3,0)	**(15,2)**
Balance at 30 June 2014	2 692,8	1 145,8	262,9	1 802,8	**5 904,3**	27,3	**5 931,6**
Total comprehensive income/(loss) for the year	–	6,8	(8,7)	881,0	**879,1**	13,1	**892,2**
Treasury shares acquired (net)	(106,9)	–	–	–	**(106,9)**	–	**(106,9)**
Transfer to retained earnings	–	–	(110,1)	110,1	**–**	–	**–**
Utilisation of share-based payment reserve	–	–	(1,4)	–	**(1,4)**	–	**(1,4)**
Recognition of share-based payment	–	–	48,4	–	**48,4**	–	**48,4**
Dividends declared and paid[3]	–	–	–	(18,5)	**(18,5)**	(15,5)	**(34,0)**
Dividends declared and paid to owners of Murray & Roberts Holdings Limited	–	–	–	(206,9)	**(206,9)**	–	**(206,9)**
Balance at 30 June 2015	2 585,9	1 152,6	191,1	2 568,5	**6 498,1**	24,9	**6 523,0**

1 *Relates to the acquisition of the non-controlling interests in Clough, effective on 11 December 2013.*

2 *The dividends paid to non-controlling interests represent the special dividend paid by Clough as part of the agreement for the acquisition of the Clough non-controlling interests.*

3 *Dividends relate to distributions made by entities that hold treasury shares.*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2015	2014
Cash flows from operating activities			
Receipts from customers		**30 668,4**	38 373,7
Payments to suppliers and employees		**(29 602,2)**	(36 597,5)
Cash generated from operations	33	**1 066,2**	1 776,2
Interest received		**85,0**	169,5
Interest paid		**(157,5)**	(220,0)
Taxation paid	34	**(408,0)**	(794,4)
Operating cash flow		**585,7**	931,3
Dividends paid to owners of Murray & Roberts Holdings Limited		**(225,4)**	(12,2)
Dividends paid to non-controlling interests		**(15,5)**	(3,0)
Net cash inflow from operating activities		**344,8**	916,1
Cash flows from investing activities			
Purchase of property, plant and equipment	2	**(424,7)**	(960,6)
– Replacements		**(134,8)**	(290,3)
– Additions		**(289,9)**	(670,3)
Proceeds on disposal of property, plant and equipment		**76,0**	152,3
Investment in joint venture	37	**(46,0)**	–
Purchase of intangible assets other than goodwill	5	**(124,5)**	(81,7)
Purchase of property, plant and equipment by discontinued operations	2	**–**	(24,0)
Proceeds on disposal of business	35	**121,7**	1 345,2
Cash related to acquisition/(disposal) of businesses	35	**17,6**	(15,6)
Dividends received from associate companies	6	**–**	10,5
Dividends received from joint ventures classified as held-for-sale		**35,0**	–
Acquisition of businesses	35	**(162,2)**	–
Proceeds on disposal of assets held-for-sale		**64,2**	58,0
Cash related to assets held-for-sale		**(3,0)**	28,0
Proceeds from realisation of investment	7	**132,0**	145,9
Other		**(2,1)**	(4,3)
Net cash (outflow)/inflow from investing activities		**(316,0)**	653,7
Cash flows from financing activities			
Proceeds on share issue to non-controlling interests		**–**	6,2
Net acquisition of treasury shares		**(107,4)**	(20,8)
Net movement in borrowings	36	**(1 196,8)**	1 283,0
Acquisition of non-controlling interests		**–**	(4 394,6)
Net cash outflow from financing activities		**(1 304,2)**	(3 126,2)
Total decrease in net cash and cash equivalents		**(1 275,4)**	(1 556,4)
Net cash and cash equivalents at the beginning of the year		**4 276,6**	5 386,0
Effect of exchange rates		**(154,5)**	447,0
Net cash and cash equivalents at the end of the year	11	**2 846,7**	4 276,6

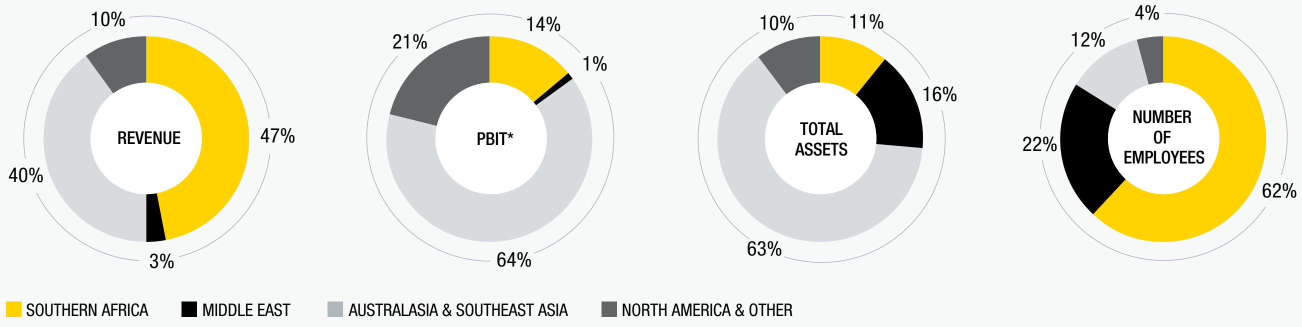
STATEMENT OF VALUE CREATED

for the year ended 30 June 2015

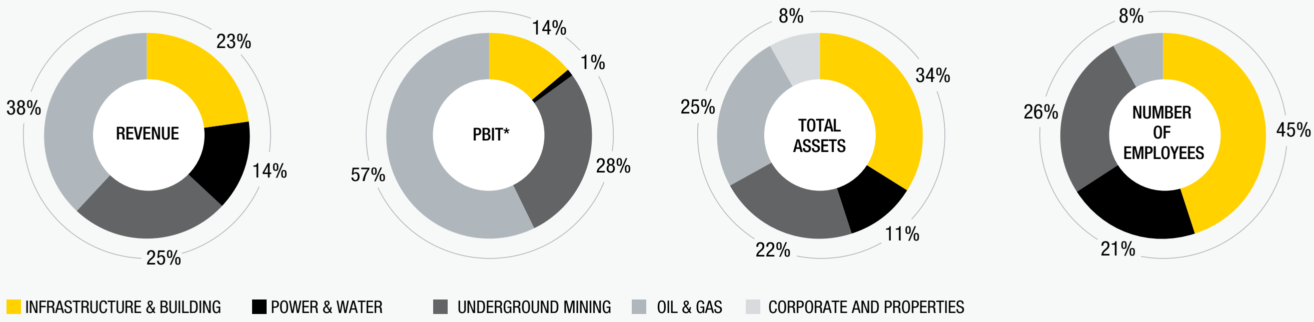
ALL MONETARY AMOUNTS EXPRESSED IN MILLIONS OF RANDS	2015	%	2014	%
Revenue	**30 567,6**		36 039,0	
Less: Cost of materials, services and subcontractors	**(13 219,8)**		(18 650,5)	
Value created	**17 347,8**		17 388,5	
Distributed as follows:				
To employees				
Payroll costs	**15 380,0**	**88,7**	14 940,3	85,9
To providers of finance				
Net interest on loans	**72,5**	**0,4**	57,3	0,3
To government				
Company taxation	**397,0**	**2,3**	422,0	2,4
To maintain and expand the Group				
Reserves available to ordinary shareholders	**881,0**		1 261,1	
Depreciation	**575,2**		685,0	
Amortisation	**42,1**		22,8	
	1 498,3	**8,6**	1 968,9	11,3
	17 347,8	**100,0**	17 388,5	100,0
Number of people[1]	**29 581**		34 712	
State and local taxes charged to the Group or collected on behalf of governments by the Group				
Company taxation	**397,0**		422,0	
Indirect taxation	**982,8**		1 705,8	
Employees' tax	**1 286,9**		1 249,6	
Rates and taxes	**1,9**		4,1	
Government grants	**(0,6)**		(21,4)	
Customs and excise duty	**0,2**		1,3	
	2 668,2		3 361,4	

1 People includes direct joint arrangement hires and third party contractors of 10 242 (2014: 12 674).

GEOGRAPHIC

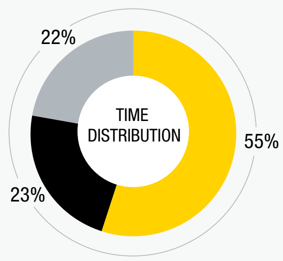


SEGMENTAL

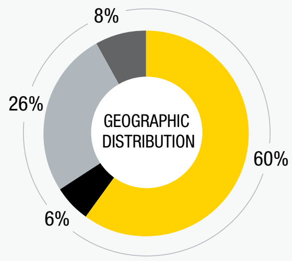


* *PBIT excludes corporate costs of R195 million and the effect of loss making projects in Power & Water of R150 million.*

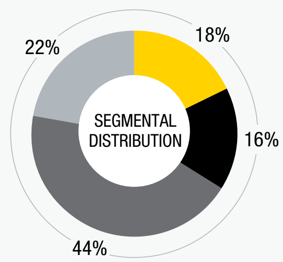
ORDER BOOK



- 2016
- 2017
- THEREAFTER



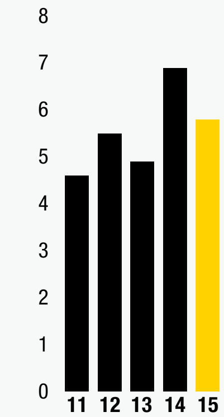
- SOUTHERN AFRICA
- MIDDLE EAST
- AUSTRALASIA & SOUTHEAST ASIA
- NORTH AMERICA & OTHER



- INFRASTRUCTURE & BUILDING
- POWER & WATER
- UNDERGROUND MINING
- OIL & GAS

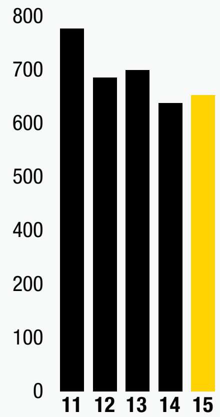
RETURN ON AVERAGE TOTAL ASSETS

(%)



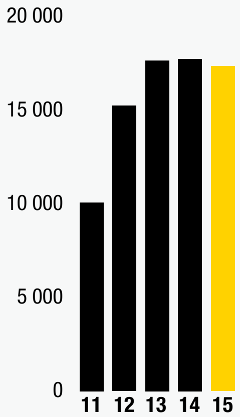
PRODUCTIVITY OF ASSETS

(ASSETS PER R1 000 TURNOVER)



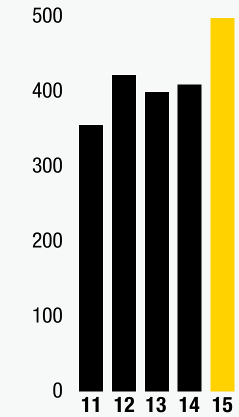
CREATION OF VALUE

(R MILLION)



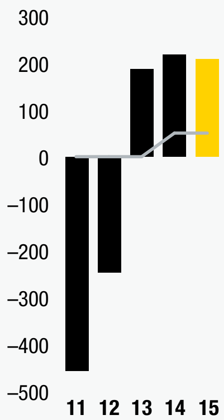
PEOPLE PRODUCTIVITY

(VALUE RATIO)



DILUTED HEPS AND DIVIDENDS

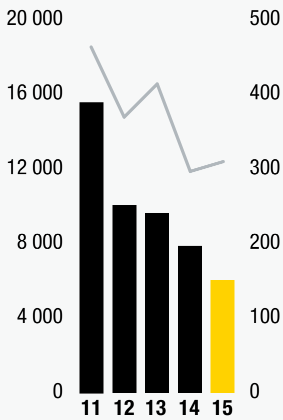
PER SHARE (CENTS)



- DILUTED HEPS
- DIVIDENDS

SHARES TRADED

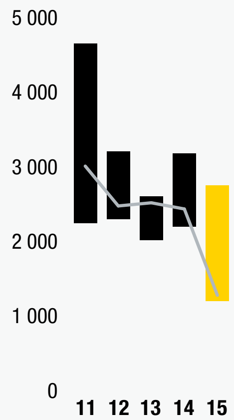
(R MILLION)



- VALUE OF SHARES TRADED
- VOLUME OF SHARES TRADED

SHARE PRICE MOVEMENT

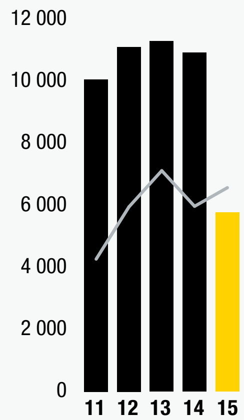
(CENTS)



- HIGH – LOW
- CLOSING

MARKET CAPITALISATION

(R MILLION)



- MARKET CAPITALISATION
- ORDINARY SHAREHOLDERS' FUNDS

TEN-YEAR FINANCIAL REVIEW

30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
SUMMARISED STATEMENTS OF FINANCIAL PERFORMANCE*										
Revenue	**30 568**	36 039	34 209	31 333	26 223	21 965	24 295	17 851	12 211	7 395
Profit/(loss) before interest and taxation	**1 125**	1 533	1 649	(407)	(956)	891	1 603	950	478	175
Net interest (expense)/income	**(72)**	(58)	(117)	(250)	(200)	(152)	112	93	40	29
Profit/(loss) before taxation	**1 053**	1 475	1 532	(657)	(1 156)	739	1 715	1 043	518	204
Taxation expense	**(194)**	(499)	(529)	(202)	(123)	(202)	(437)	(305)	(158)	(74)
Profit/(loss) after taxation	**859**	976	1 003	(859)	(1 279)	537	1 278	738	360	130
Income/(loss) from equity accounted investments	**3**	1	165	143	86	15	2	9	(107)	1
Profit from discontinued operations	**32**	423	302	124	(455)	677	1 058	1 316	543	430
Non-controlling interests	**(13)**	(139)	(466)	(144)	(87)	(131)	(320)	(349)	(94)	(49)
Profit/(loss) attributable to owners of Murray & Roberts Holdings Limited	**881**	1 261	1 004	(736)	(1 735)	1 098	2 018	1 714	702	512
SUMMARISED STATEMENTS OF FINANCIAL POSITION										
Non-current assets	**6 411**	6 410	6 017	7 323	4 658	5 247	5 490	4 872	3 983	3 416
Current assets	**11 160**	12 488	17 365	14 042	13 976	14 937	17 190	16 006	8 780	6 755
Goodwill	**636**	486	488	437	435	554	490	488	206	147
Deferred taxation assets	**596**	427	657	634	470	343	305	208	16	52
Total assets	**18 803**	19 811	24 527	22 436	19 539	21 081	23 475	21 574	12 985	10 370
Equity attributable to owners of Murray & Roberts Holdings Limited	**6 498**	5 905	7 041	5 887	4 221	6 203	5 581	4 865	3 637	3 086
Non-controlling interests	**25**	27	1 657	1 215	1 100	974	1 053	960	178	108
Total equity	**6 523**	5 932	8 698	7 102	5 321	7 177	6 634	5 825	3 815	3 194
Non-current liabilities	**2 526**	1 908	1 958	1 596	1 873	2 367	1 447	1 290	1 102	1 028
Current liabilities	**9 754**	11 971	13 871	13 738	12 345	11 537	15 394	14 459	8 068	6 148
Total equity and liabilities	**18 803**	19 811	24 527	22 436	19 539	21 081	23 475	21 574	12 985	10 370

RATIOS AND STATISTICS

30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ATTRIBUTABLE EARNINGS										
Earnings/(loss) per share (cents)										
– Basic	**218**	310	247	(214)	(530)	336	618	521	216	152
– Diluted	**213**	305	245	(214)	(528)	335	612	510	212	149
Headline earnings/(loss) per share (cents)										
– Basic	**212**	221	188	(246)	(456)	308	616	507	297	149
– Diluted	**207**	217	186	(246)	(454)	307	609	496	293	146
Dividends per share (cents)	**50**	50	–	–	–	105	218	196	116	60
Dividend cover	**4,1**	4,3	–	–	–	2,9	2,8	2,5	2,5	2,4
Interest cover[1]	**7,1**	7,1	4,7	3,2	2,4	3,9	4,1	3,4	3,7	2,0
PROFITABILITY										
PBIT on revenue (%)[2]	**3,7**	4,3	3,4	3,7	3,6	6,9	6,6	5,3	3,9	2,4
PBIT on average total assets (%)[2]	**5,8**	6,9	4,9	5,5	4,6	6,8	7,1	5,5	4,1	1,9
Attributable profit on average ordinary shareholders' funds (%)	**14,2**	19,5	15,5	17,1	5,7	29,1	38,6	40,3	20,9	16,7
PRODUCTIVITY										
Per R1 000 of revenue:										
Payroll cost (Rands)	**498**	409	399	422	355	347	350	392	327	375
Total average assets (Rands)	**632**	615	686	670	774	1 014	927	968	956	1 248
Value created (Rm)[2]	**17 352**	17 773	17 660	15 237	10 069	11 651	13 689	10 984	6 063	4 124
Value ratio[2]	**1,13**	1,16	1,20	1,05	1,00	1,33	1,39	1,40	1,31	1,30
FINANCE										
As a percentage of total equity										
Total interest bearing debt	**23**	42	23	31	44	45	54	34	36	40
Total liabilities	**188**	234	182	216	267	194	254	270	240	225
Current assets to current liabilities	**1,14**	1,04	1,25	1,02	1,13	1,29	1,12	1,11	1,09	1,10
Operating cash flow (Rm)	**586**	931	1 653	(2 318)	462	943	1 732	3 124	1 918	584
Operating cash flow per share (cents)	**132**	209	372	(521)	139	284	522	941	578	176
OTHER										
Weighted average ordinary shares in issue (millions)	**444,7**	444,7	444,7	382,7	367,8	367,8	367,8	367,8	367,8	367,8
Weighted average number of treasury shares (millions)	**41,4**	38,3	37,9	39,2	40,3	41,3	42,1	38,7	42,0	30,0
Number of employees – 30 June[2]	**29 581**	25 498	33 281	44 710	42 422	40 413	38 981	45 654	33 466	23 867

DEFINITIONS

Dividend cover	Diluted headline earnings/(loss) per share divided by dividend per share
PBIT	Profit before interest and taxation
Interest cover	PBIT divided by interest expense
Value ratio	Value created as a multiple of payroll cost
Net asset value (NAV)	Ordinary shareholders' equity
Average	Arithmetic average between consecutive year ends

1 *The above calculations are based on normalised profit before interest and taxation of R1,1 billion (2014: R1,5 billion; 2013: R1,2 billion; 2012: R1,8 billion; 2011: R1,5 billion).*

2 *Includes continuing and discountinued operation.*

SEGMENTAL ANALYSIS

30 June 2015

ALL MONETARY AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	GROUP		DISCONTINUED OPERATIONS EXCLUDED FROM ONGOING OPERATIONS1	
	2015	2014	**2015**	2014
SUMMARISED STATEMENT OF FINANCIAL PERFORMANCE				
Revenue	**30 568**	36 039	**88**	2 025
Profit/(loss) before interest and taxation	**1 125**	1 533	**19**	580
Net interest (expense)/income	**(72)**	(58)	**–**	7
Profit/(loss) before taxation	**1 053**	1 475	**19**	587
Taxation (expense)/credit	**(194)**	(499)	**12**	(165)
Profit/(loss) after taxation	**859**	976	**31**	422
Income from equity accounted investments	**3**	1	**1**	1
Profit from discontinued operations	**32**	423	**–**	–
Non-controlling interests	**(13)**	(139)	**(10)**	(5)
Profit/(loss) attributable to holders of Murray & Roberts Holdings Limited	**881**	1 261	**22**	418
SUMMARISED STATEMENT OF FINANCIAL POSITION				
Non-current assets	**7 007**	6 837	**11**	133
Current assets[2]	**11 160**	12 488	**173**	769
Goodwill	**636**	486	**–**	–
Total assets	**18 803**	19 811	**183**	902
Ordinary shareholders' equity	**6 498**	5 905	**152**	555
Non-controlling interests	**25**	27	**–**	5
Total equity	**6 523**	5 932	**152**	560
Non-current liabilities	**2 526**	1 908	**–**	79
Current liabilities[2]	**9 754**	11 971	**31**	263
Total equity and liabilities	**18 803**	19 811	**183**	902
SUMMARISED STATEMENT OF CASH FLOWS				
Cash generated from/(utilised by) operations before working capital changes	**1 575**	2 419	**(15)**	117
Change in working capital	**(509)**	(643)	**(48)**	(11)
Cash generated from/(utilised by) operations	**1 066**	1 776	**(63)**	106
Interest and taxation	**(480)**	(845)	**(20)**	(12)
Operating cash flow	**586**	931	**(83)**	94

1 Includes the Construction Products Africa operating platform, Group's properties divisions, interest in Steel reinforcing bar manufacture and trading operations and Tolcon excluding investments in the Bombela Concession, Bombela Operating Companies and Entilini Concession and its operating companies.

2 Includes assets/liabilities classified as held-for-sale.

INFRASTRUCTURE & BUILDING		POWER & WATER		UNDERGROUND MINING		OIL & GAS		CORPORATE AND PROPERTIES	
2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
6 959	7 176	**4 238**	4 755	**7 565**	6 628	**11 806**	17 480	**–**	–
205	196	**(134)**	144	**411**	258	**838**	1 026	**(195)**	(91)
(1)	6	**17**	31	**3**	(6)	**172**	155	**(263)**	(244)
204	202	**(117)**	175	**414**	252	**1 010**	1 181	**(458)**	(335)
(9)	(48)	**8**	(20)	**(164)**	(123)	**(40)**	(376)	**11**	68
195	154	**(109)**	155	**250**	129	**970**	805	**(447)**	(267)
3	1	**–**	–	**–**	–	**–**	–	**–**	–
	–	**–**	–	**–**	–	**–**	–	**–**	–
(1)	4	**(4)**	(6)	**2**	3	**–**	(135)	**–**	–
197	159	**(113)**	149	**252**	132	**970**	670	**(447)**	(267)
3 757	3 547	**416**	474	**1 572**	1 596	**526**	723	**725**	364
2 379	3 129	**1 539**	1 377	**2 504**	2 145	**3 934**	4 971	**631**	97
44	44	**81**	52	**36**	38	**475**	352	**–**	–
6 180	6 720	**2 037**	1 903	**4 112**	3 779	**4 935**	6 046	**1 356**	461
1 230	2 164	**794**	388	**2 243**	1 947	**2 083**	2 398	**(4)**	(1 547)
20	9	**28**	24	**(23)**	(11)	**–**	–	**–**	–
1 250	2 173	**822**	412	**2 220**	1 936	**2 083**	2 398	**(4)**	(1 547)
1 115	1 057	**27**	75	**379**	461	**105**	160	**900**	76
3 816	3 490	**1 188**	1 416	**1 513**	1 382	**2 745**	3 488	**461**	1 932
6 181	6 720	**2 037**	1 903	**4 112**	3 779	**4 933**	6 046	**1 357**	461
140	379	**(60)**	252	**722**	640	**883**	1 252	**(95)**	(221)
(12)	(251)	**(304)**	(108)	**(112)**	124	**(144)**	(360)	**111**	(37)
128	128	**(364)**	144	**610**	764	**739**	892	**16**	(258)
(16)	22	**13**	(86)	**(222)**	(147)	**34**	(516)	**(269)**	(106)
112	150	**(351)**	58	**388**	617	**773**	376	**(253)**	(364)

ANALYSIS OF SHAREHOLDERS

for the year ended 30 June 2015

SHAREHOLDER SPREAD	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	4 793	64.32	1 161 903	0.26
1 001 – 10 000 shares	1 887	25.32	6 279 302	1.41
10 001 – 100 000 shares	462	6.20	16 017 444	3.61
100 001 – 1 000 000 shares	238	3.19	72 590 975	16.32
1 000 001 shares and above	72	0.97	348 686 494	78.40
Total	**7 452**	**100.00**	**444 736 118**	**100.00**

SHAREHOLDER TYPE	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	15	0.20	42 145 211	9.48
Public shareholders	7 437	99.80	402 590 907	90.52
Total	**7 452**	**100.00**	**444 736 118**	**100.00**

INVESTMENT MANAGER	Total shareholding	%
Allan Gray Investment Council	83 892 185	18.86
PIC	59 788 966	13.44
Coronation Asset Management	49 384 574	11.10
Sanlam Investment Management	31 247 477	7.03
Old Mutual Plc	28 581 955	6.43
Kagiso Asset Management	21 454 634	4.82
Dimensional Fund Advisors	18 716 317	4.21

BENEFICIAL SHAREHOLDINGS	Total shareholding	%
Government Employees Pension Fund (PIC)	78 939 011	17.75
Allan Gray Balanced Fund	15 428 315	3.47
Allan Gray Equity Fund	15 124 422	3.40
Investment Solutions	14 085 295	3.17
Old Mutual Life Assurance Co Ltd	13 597 060	3.06

REGION	Total shareholding	% of issued capital
South Africa	350 707 412	78.86
United States of America & Canada	60 842 008	13.68
United Kingdom	11 268 865	2.53
Rest of Europe	7 440 692	1.67
Rest of World	14 477 141	3.26
Total	**444 736 118**	**100.00**

BENEFICIAL SHAREHOLDER CATEGORIES	Total shareholding	% of issued capital
Pension Funds	164 857 615	37.07
Unit Trusts/ Mutual Funds	152 801 488	34.36
Black Economic Empowerment	31 720 308	7.14
Insurance Companies	21 800 578	4.90
Private Investor	9 867 771	2.22
Sovereign Wealth	4 864 501	1.09
Custodians	4 110 946	0.92
University	2 297 291	0.52
Exchange-Traded Fund	963 850	0.22
Charity	821 084	0.18
Foreign Government	533 768	0.12
Investment Trust	496 404	0.11
Hedge Fund	421 263	0.09
Local Authority	237 064	0.05
American Depository Receipts	228 882	0.05
Treasury Shares	121 000	0.03
Real Estate Fund	106 217	0.02
Remainder	48 486 088	10.91
Total	**444 736 118**	**100.00**

SHAREHOLDERS' DIARY

Financial year-end	June
Mailing of annual integrated report	October
Annual general meeting	November
Publication of half year results 2015/16	February 2016
Publication of preliminary report 2015/16	August 2016

For a comprehensive Shareholders' Diary, please visit the Investor's portal on www.murrob.com.

ADMINISTRATION AND CORPORATE OFFICE

Company Registration Number	1948/029826/06
JSE Share Code	MUR
ISIN	ZAE000073441

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Fax	+27 86 674 4381

SPONSORED LEVEL 1 AMERICAN DEPOSITORY RECEIPT (ADR) PROGRAMME

US Exchange	OTC
US Ticker	MURZY
Ratio of ADR to Ordinary Share	1:1
CUSIP	626805204
Depository Bank	Deutsche Bank Trust Company Americas

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SPONSOR

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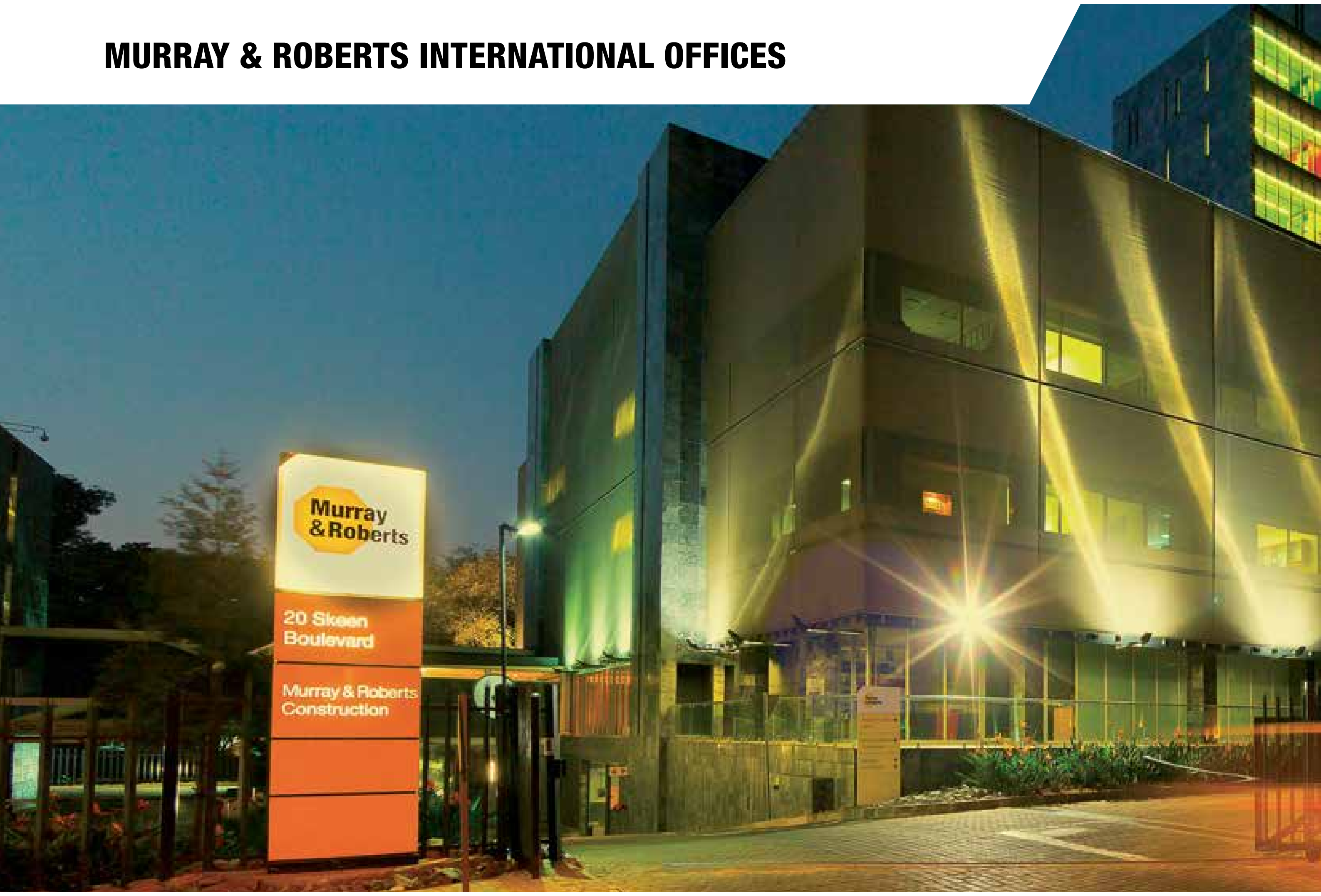
GLOSSARY OF TERMS

AsgiSA	Accelerated and Shared Growth Initiative for South Africa
BBBEE	Broad-Based Black Economic Empowerment
BCC	Bombela Concessions Company
BCCEI	Bargaining Council for the Civil Engineering Industry
BCJV	Bombela Civils Joint Venture
Board	The Board of Murray & Roberts Holdings Limited
Brownfields	Existing, developed property or infrastructure on which expansion or redevelopment occurs
Business Platform CEO	Business Platform Chief Executive Officer
Business Platform CFO	Business Platform Chief Financial Officer
CAGR	Compound Annual Growth Rate
Cementation AG	Cementation Above Ground
Company	Murray & Roberts Holdings Limited
DoE	Department of Energy
Dubai International Airport	Dubai International Airport Concourse 2
EBIT	Earnings Before Interest and Tax
EC&I	Electrical Controls and Instrumentation
EPC	Engineering, Procurement and Construction
EPCM	Engineering, Procurement, Construction and Management
FCF	Free Cash Flow
FCFPS	Free Cash Flow Per Share
FEED	Front End Engineering and Design
FSP	Forfeitable Share Plan
Gautrain	Gautrain Rapid Rail Link
GDP	Gross Domestic Product
GPMOF	Gorgon Pioneer Materials Offloading Facility
Greenfields	New, undeveloped property where there is no need to work within the constraints of existing buildings or infrastructure
GRI	Global Reporting Initiative
Group	Murray & Roberts Holdings and its subsidiaries
HSE	Health, Safety and Environment
IFRS	International Financial Reporting Standards
IPP	Independent Power Producers
IR Framework	International Integrated Reporting Councils Integrated Reporting Framework
King III	King Code of Governance Principles 2009
KPI	Key Performance Indicator
LNG	Liquefied Natural Gas
LTI	Long-term incentives
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
MAE	Major Accident Events
MAP	Major Accident Prevention
NAV	Net Asset Value
Near Orders	Tenders where the Group is the preferred bidder and final award is subject to financial/commercial close
NPAT	Net Profit After Tax
O&M	Operations and Maintenance
Order Book	Confirmed and signed project orders
Order Book Pipeline	Tenders, budgets, feasibilities and prequalifications the Group is currently working on (excluding Near Orders). It also includes opportunities which are being tracked and are expected to come to the market in the next 36 months
PMBOK	Project Management Body of Knowledge
PNG	Papua New Guinea
RGNPAT	Relative Growth in NPAT
ROE	Return on Equity
ROICE	Return on Invested Capital Employed
SADC	Southern African Development Community
SHEQ	Safety Health Environment and Quality
STI	Short-term incentives
TFCE	Total Fixed Cost of Employment
TRCR	Total Recordable Case Rate
TSR	Total Shareholder Return
VFL	Visible Felt Leadership
WACC	Weighted Average Cost of Capital

MURRAY & ROBERTS INTERNATIONAL OFFICES



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DISCLAIMER

This report includes certain various "forward-looking statements" within the meaning of Section 27A of the US Securities Act 10 1933 and Section 21 E 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 report 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 report 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 report.

Murray & Roberts

KUSILE POWER STATION, MPUMALANGA, SOUTH AFRICA

Once completed, the Kusile Power Station will be the fourth-largest coal-fired power station in the world and will comprise six units, each rated at 800MW installed capacity. Kusile will be the first power station in South Africa to install flu-gas desulphurisation, which is an atmospheric emission abatement technology in line with current international practice. Each supercritical tower boiler will be approximately 115 metres high and it is estimated that 115 400 tonnes of structural steel will be used in the construction of the six units and the balance of plant.