



Unaudited Condensed Consolidated Results

for the six months ended 31 December 2006

Murray & Roberts Holdings Limited
(Registration number: 1948/029826/06)
("Murray & Roberts" or "Group")
Share Code: MUR ISIN code: ZAE000073441

"Our commitment to sustainable earnings growth and value creation is not negotiable"

HIGHLIGHTS

- ✓ **INTERIM DIVIDEND UP 125% TO 45 CENTS PER SHARE**
- ✓ **HEADLINE EARNINGS UP 108% TO 135 CENTS PER SHARE**
- ✓ **ORDER BOOK UP 54% TO R15,4 BILLION**
- ✓ **REVENUE UP 55%**
- ✓ **6,5% OPERATING MARGIN**
- ✓ **22,3% RETURN ON AVERAGE SHAREHOLDER FUNDS**
- ✓ **R485 MILLION OPERATING CASH INFLOW**

"We have built a formidable performance platform to engage the future potential of all our markets."

*Group Chief Executive **Brian Bruce***

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Condensed consolidated income statement

for the six months ended 31 December 2006

R millions

Audited
Annual
30.6.06

	31.12.06	31.12.05	30.6.06
Revenue	8 581	5 528	11 920
Earnings before interest, exceptional items, depreciation and amortisation	739	416	1 044
Depreciation	(168)	(111)	(228)
Amortisation of intangible assets	(11)	(4)	(16)
Earnings before interest and exceptional items	560	301	800
Exceptional items	(35)	(96)	(85)
Headlease and other property activities ¹	8	–	4
Broad-based black economic empowerment (BBBEE) expense	–	(95)	(87)
Loss on disposal of investment	(48)	–	–
Income on liquidation of Consani	15	–	–
Other	(10)	(1)	(2)
Earnings before interest and taxation ²	525	205	715
Net interest (expense) income	(11)	21	22
Earnings before taxation	514	226	737
Taxation	(145)	(58)	(189)
Earnings after taxation	369	168	548
Share of profit (loss) of associates	31	(13)	1
Earnings from continuing operations	400	155	549
Earnings from discontinued operations (note 2)	–	14	12
Earnings for the period	400	169	561
Attributable to:			
Shareholders of the holding company	360	148	512
Minority shareholders	40	21	49
	400	169	561
Earnings per share (cents)			
– Diluted	121	46	165
– Basic	123	47	168
Earnings per share from continuing operations (cents)			
– Diluted	121	42	162
– Basic	123	42	164
Total dividend per ordinary share (cents)	45	20	60
Operating cash flow per share (cents)	146	–	180
¹ The headlease and other property activities include the following:			
Rental income	86	71	144
Interest expense	(21)	(26)	(49)
² Includes interest expense of R21 million (2005: R26 million) in respect of the headlease and other property activities			
SUPPLEMENTARY INCOME STATEMENT INFORMATION			
Reconciliation of weighted average number of shares in issue (000)			
Weighted average number of ordinary shares in issue	331 893	331 893	331 893
Less: weighted average number of shares held by The Murray & Roberts Trust	(9 889)	(13 455)	(12 139)
Less: weighted average number of shares held by Murray & Roberts Limited	(676)	–	–
Less: weighted average number of shares held by the Letsema BBBEE trusts	(28 953)	(1 840)	(14 917)
Weighted average number of shares used for basic per share figures	292 375	316 598	304 837
Add: dilutive adjustment for share options	6 311	5 864	5 081
Weighted average number of shares used for diluted per share figures	298 686	322 462	309 918
Reconciliation of headline earnings			
Earnings attributable to shareholders of the holding company	360	148	512
Non-headline exceptional items	43	1	2
Profit on disposal of discontinued operations	–	(18)	(16)
Taxation on above adjustments	–	4	4
Headline earnings	403	135	502
Headline earnings per share (cents)			
– Diluted	135	42	162
– Basic	138	43	165
Reconciliation of headline earnings excl BBBEE expense			
Headline earnings as above	403	135	502
BBBEE expense	–	95	87
Taxation effect on BBBEE expense	–	(22)	(20)
Headline earnings excluding BBBEE expense	403	208	569
Headline earnings per share excluding BBBEE expense (cents)			
– Diluted	135	65	184
– Basic	138	66	187

Condensed consolidated balance sheet

as at 31 December 2006 R millions	30.12.06	30.12.05	Audited Annual 30.06.06
ASSETS			
Non-current assets	3 924	3 039	3 589
Property, plant and equipment	1 920	1 414	1 714
Investment property	258	257	278
Goodwill	158	93	147
Other intangible assets	63	65	68
Deferred taxation assets	53	21	52
Associate companies	1 054	766	877
Other investments	375	423	435
Other non-current receivables	43	–	18
Current assets	6 751	3 776	6 796
Accounts receivable and other	2 660	1 695	2 110
Net amounts due from contract customers	2 338	968	2 878
Bank balances and cash	1 753	1 113	1 808
TOTAL ASSETS	10 675	6 815	10 385
EQUITY AND LIABILITIES			
Total equity	3 524	2 793	3 194
Attributable to equity holders of the holding company	3 377	2 700	3 086
Minority shareholders' interest	147	93	108
Non-current liabilities	1 178	859	1 027
Long-term provisions	10	4	22
Obligations under finance headleases*	151	253	155
Other long-term liabilities*	622	355	517
Other non-current liabilities	32	–	36
Deferred taxation liabilities	363	247	297
Current liabilities	5 973	3 163	6 164
Accounts payable and other	5 536	2 533	5 509
Bank overdrafts*	222	264	166
Short-term loans*	215	366	489
TOTAL EQUITY AND LIABILITIES	10 675	6 815	10 385
* Interest-bearing borrowings			
SUPPLEMENTARY BALANCE SHEET INFORMATION (R millions)			
Net asset value per share (cents)	1 180	882	1 031
Commitments			
Capital expenditure			
– spent	401	185	294
– authorised but unspent	640	248	862
Operating lease commitments	107	209	136
Contingent liabilities	119	124	131
Financial institution guarantees	3 522	2 061	1 945

Condensed consolidated cash flow statement

for the six months ended 31 December 2006 R millions	31.12.06	31.12.05	Audited Annual 30.6.06
Cash generated by operations before working capital changes	676	370	1 063
Cash outflow from exceptional items relating to BBBEE	–	(74)	(70)
Cash outflow from headlease and other property activities	(30)	(39)	(82)
Increase in working capital	(100)	(217)	(195)
Cash generated by operations	546	40	716
Interest and taxation	(61)	(39)	(118)
Operating cash flow	485	1	598
Dividends paid to shareholders of the holding company	(121)	(96)	(154)
Dividends paid to minority shareholders	(11)	(22)	(29)
Cash flow from operating activities	353	(117)	415
Cash flow from investing activities	(451)	(540)	(356)
Property, plant and equipment and intangible assets (net)	(377)	(179)	(307)
Business acquisitions / disposals (net)	(11)	(344)	(126)
Other investments (net)	(138)	(10)	73
Realisation of investment	75	–	–
Other (net)	–	(7)	4
Cash flow from financing activities	(4)	(204)	(183)
Net movement in borrowings	(4)	207	228
Treasury share acquisition	–	(411)	(411)
Net decrease in cash and cash equivalents	(102)	(861)	(124)
Net cash and cash equivalents at beginning of period	1 642	1 733	1 733
Effect of foreign exchange rates	(9)	(23)	33
Net cash and cash equivalents at end of period	1 531	849	1 642

Condensed statement of changes in equity

for the six months ended 31 December 2006	Issued	Other	Hedging and	Retained	Minority	
R millions	capital	capital	translation	earnings	interest	Total
	capital	reserves	reserves			
Balances at 30 June 2005	1 425	33	17	1 592	97	3 164
Earnings attributable to shareholders of the holding company				512		512
Recognition of financial instruments on acquisition of businesses				(29)		(29)
Deferred taxation recognised directly in equity				(1)		(1)
Earnings attributable to minority shareholders					49	49
Purchase of minorities				(5)	(14)	(19)
Other movements in minority interest					6	6
Movement in share-based payment reserve		24				24
Foreign currency translation movement on investments			82			82
Movement in treasury shares	(411)					(411)
Dividend declared and paid				(154)	(29)	(183)
Balances at 30 June 2006	1 014	57	99	1 915	109	3 194
Earnings attributable to shareholders of the holding company				360		360
Earnings attributable to minority shareholders					40	40
Other movements in minority interest					9	9
Movement in share-based payment reserve		3				3
Foreign currency translation movement on investments			50			50
Dividend declared and paid				(121)	(11)	(132)
Balances at 31 December 2006	1 014	60	149	2 154	147	3 524

Segmental analysis

R millions	Revenue	EBIT before exceptional items
31 December 2006		
Construction & engineering	5 308	286
Construction materials & services	2 739	319
Fabrication & manufacture	534	28
Corporate	–	(73)
Continuing operations	8 581	560
Discontinued operations (note 2)	–	–
	8 581	560
31 December 2005		
Construction & engineering	3 124	94
Construction materials & services	1 983	226
Fabrication & manufacture	421	39
Corporate	–	(58)
Continuing operations	5 528	301
Discontinued operations (note 2)	46	1
	5 574	302
30 June 2006		
Construction & engineering	6 966	324
Construction materials & services	3 986	537
Fabrication & manufacture	968	86
Corporate	–	(147)
Continuing operations	11 920	800
Discontinued operations (note 2)	46	1
	11 966	801

Notes

1. Basis of preparation

This interim report has been prepared and presented in accordance with IAS34: Interim Financial Reporting, the Companies Act 1973 (amended) and is in accordance with International Financial Reporting Standards (IFRS). The accounting policies used in the preparation of these results are consistent in all material respects with those used in the annual financial statements for the year ended 30 June 2006.

2. Earnings from discontinued operations

There were no disposals of business in the current period. The comparative numbers include businesses that were closed or disposed of in the prior year, being its forklift truck distribution business Criterion Equipment.

R millions	31.12.06	31.12.05	30.6.06
Earnings from the discontinued operation is analysed as follows:			
Profit on disposal / closure	–	18	16
Earnings after taxation for the period	–	(4)	(4)
	–	14	12
Earnings after taxation for the period is analysed as follows:			
Revenue	–	46	46
EBITDA	–	2	2
Depreciation	–	(1)	(1)
EBIT	–	1	1
Net interest expense	–	(1)	(1)
Earnings before taxation	–	–	–
Taxation	–	(4)	(4)
Loss after taxation	–	(4)	(4)

3. Reclassification of comparatives

The group reclassified an amount of R225 million from net amounts due from contract customers to accounts payables and other for the comparative period ended 31 December 2005. This relates to amounts payable to contract customers that were previously netted off against the amount receivable from contract customers. This was correctly reflected for the period ended 30 June 2006. The above reclassification had no impact on the net assets or total equity of the Group.

Commentary

The directors are pleased to announce a 125% increase in the interim ordinary dividend to 45 cents per share for the half-year ended 31 December 2006 (2005: 20 cents per share). This follows a 108% increase in fully diluted headline earnings per share to 135 cents for the period (2005: 65 cents excluding the BBBEE transaction expense). Improved contributions from all core business segments resulted in an 86% increase in operating profit (EBIT) to R560 million (2005: R301 million).

Attention is drawn to the formal dividend announcement contained herein.

Revenue for the period is up 55% to R8,58 billion (2005: R5,52 billion) which includes organic growth of R1,85 billion (33%) and a maiden contribution of R1,2 billion from Concor which was consolidated on acquisition from 1 July 2006.

The interim operating margin of 6,5% (2005: 5,4%) reflects the early-stage turnaround in Construction SADC and solid performances from other core operations. In this respect, Construction & Engineering increased turnover by 70% to R5,3 billion (2005: R3,1 billion) and EBIT by 204% to R286 million (2005: R94 million). This includes a fair value adjustment on concession investments at a similar level to the prior half-year. Construction Materials & Services increased turnover by 38% to R2,7 billion (2005: R2,0 billion) and EBIT by 41% to R319 million (2005: R227 million).

Corporate costs for the half-year are R73 million (2005: R58 million) with the increase largely attributed to investment initiatives in Health and Safety, Risk Management and Leadership Development. The weaker SA Rand has also impacted translation of the Group's international corporate cost.

The effective tax rate remained constant at 26%, but increased profitability has resulted in a 150% increase in the interim tax charge to R145 million (2005: R58 million).

Operating cash inflow was R485 million (2005: R1 million) while working capital outflow improved to R100 million (2005: R217 million). Cash management remains a focus throughout the Group, although we continue to experience delayed progress payments in some markets and longer final account settlements, particularly in Middle East.

Shareholder funds increased to R3,4 billion at 31 December 2006, representing a net asset value (NAV) of 1180 cps. The after tax return on average shareholder funds for the period increased above the Group target of 20,0% to 22,3% (2005: 11,7%).

Order Book and Market

The Gautrain Project was finally secured in September 2006 followed by financial close in January 2007. The Construction & Engineering order book has increased by 54% in the period to R15,4 billion, up from R10,0 billion at 30 June 2006. This is marginally down on the R16,5 billion reported at the annual general meeting. The Group in joint venture has been confirmed as the contractor for both the Cape Town and Polokwane stadiums for the 2010 Soccer World Cup.

Of the order book, Construction Middle East accounts for R 2,4 billion (up 2,2%), Construction SADC for R8,4 billion (up 122%), Engineering for R1,2 billion (up 77%) and Mining Contracting for R3,4 billion (up 8,2%). The regional composition of order book is SADC 78% (71%); Middle East 15% (23%); and Rest of World 7% (6%). The amounts in brackets are the comparative levels at 30 June 2006.

The UCW Partnership (70% Murray & Roberts) was confirmed as a participant in the Spoornet Orex system locomotive project which combined with the Coalink system project awarded earlier in the year, brings the total value to the Group to R1,6 billion over 6 years, which amount is not recorded in the order book.

The South African construction economy continues to offer significant growth potential to the Group's Construction Materials & Services operations.

There is evidence of strong industrial investment on the horizon, with power stations, rolling stock and an aluminium smelter at Coega examples of major public sector driven investment programmes that are still to impact on the market and the Group. These will specifically benefit the Group's engineering and fabrication operations in the future and consolidate demand for high-value construction services.

The Group's Middle East markets remain strong, with a number of new major projects under contract negotiation. This is a competitive and demanding market where various Group operations have established strong brand presence based on delivery and service performance.

Associate

With projected future losses on its two India contracts provided at 30 June 2006, associate company Clough delivered a turnaround profit for the half-year. Subsequent to the period under review, the Panna contract achieved substantial completion on revised schedule and the BassGas arbitration is awaiting judgement. Negotiations continue on an equitable way forward for the troubled G1 contract.

Mr Michael Harding was appointed independent non-executive chairman of the board of the company at its annual general meeting in November 2006. Mr John Cooper was appointed chief executive and managing director in January 2007, having served as deputy chairman since August 2006 as a nominee director of Murray & Roberts.

In its half-year review, the board of Clough has informed its shareholders that it "expects the second half performance to be similar to that of the first half".

Black Economic Empowerment

Murray & Roberts has committed to a development process that will ensure it meets all the objectives required of it to achieve broad-based black economic empowerment status within its South African listed company and local subsidiary operations. An audit of empowerment within the Group was completed in the reporting period, which forms the foundation for future action in this respect.

The Group's ground-breaking broad-based black economic empowerment (BBBEE) transaction concluded in December 2005 ensures that the Group has almost 15% empowerment ownership across all its South African operations. This is specifically enhanced through additional empowerment ownership of between 15% and 30% in companies where charter, legislative or market requirements demand.

Based on the Group's current share price and dividend payments, significant value has accrued in just one year to the community trusts, 14000 employees and executives included in the BBBEE structures.

Acquisitions and Disposals

The Group underwrote a further recapitalisation of Clough in December 2006, injecting A\$23,3 million into the company and through the process, secured the right to an additional 0,7% shareholding. A further 3,0% shareholding was acquired on the market for A\$5,1 million in the period, bringing the Group's total current shareholding to 49,0%. On conversion of all existing rights, the Group's shareholding will increase to 53,0% at an average cost of A\$0,54 per share.

The Clough share price has risen steadily over the past two months, trading as high as A\$0,59 per share. The Group plans to raise its shareholding in Clough above 50% and consolidate the company effective 1 July 2007.

Concor Limited was consolidated effective 1 July 2006 and its performance is included in the financial results for the half-year. All regulatory hurdles were cleared in January 2007 for the acquisition of 80% of Wade Walker in South Africa. The company is a leading electrical and instrumentation engineering contractor in the SADC region and will join the engineering sub-cluster.

The Group disposed of its remaining shareholding in Borbet South Africa in the period and has reached an advanced stage in the disposal process of the Foundries Group.

Prospects

The directors are of the considered view that private and public capital formation in South Africa is set to increase further before stabilising above existing levels over a number of years into the future. There is high demand for new investments into power and energy, water and sanitation, transport and communications infrastructure to meet the socio-economic development agenda for South Africa. The Group's Middle East and resources-linked markets also show strong growth and sustainability potential.

Murray & Roberts is the leading construction and engineering group in South Africa and has initiated a number of programs and initiatives to maintain its share of this market and secure the leadership, partners, resources and skills needed to meet this expected increase in demand.

Capital expenditure by the Group increased 116% to R401 million (2005: R185 million) in the half-year, including R100 million in Concor. This is expected to more than double for the full-year with Gautrain and the South African mining contracting operations largely pre-funded through advance payments from clients.

The directors expect fully diluted headline earnings for the full year to 30 June 2007 to grow between 50% and 70% compared with comparable period to 30 June 2006, excluding the Group's BBBEE transaction expenses.

This Prospect Statement has not been audited or reviewed.

Roy Andersen
Chairman of the Board

Brian Bruce
Group Chief Executive

Roger Rees
Group Financial Director

Bedfordview
28 February 2007

Notice to shareholders

Declaration of interim ordinary dividend (No. 110)

Notice is hereby given that an interim ordinary dividend No. 110 of 45 cents per share (2006: 20 cents per share) in respect of the financial year ending 30 June 2007 has been declared payable to shareholders recorded in the register at the close of business on Friday 13 April 2007.

Salient dates

Last day to trade <i>cum</i> the dividend	Wednesday 4 April 2007
Trading <i>ex</i> dividend commences	Thursday 5 April 2007
Record date	Friday 13 April 2007
Payment date	Monday 16 April 2007

Share certificates may not be dematerialised or re-materialised between Thursday 5 April 2007 and Friday 13 April 2007 both days inclusive.

On Monday 16 April 2007 the interim dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired cheques dated 16 April 2007 will be posted on that date.

Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday 16 April 2007.

By order of the Board

MW Arnold
Acting Company Secretary

Bedfordview
28 February 2007

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

Directors:

RC Andersen* (Chairman) BC Bruce (Managing & Group Chief Executive) SJ Flanagan SE Funde* N Jorek³ NM Magau*
JM McMahon* IN Mkhize* RW Rees¹ AA Routledge* MJ Shaw* KE Smith² JJM van Zyl* RT Vice*

¹British ²Irish ³German *Non-executive

Secretary:

MW Arnold (acting)

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