MURRAY & ROBERTS HOLDINGS LIMITED

Registration number: 1948/029826/06
"Murray & Roberts" or "Group"
Share code: MUR ISIN code: ZAE000073441

PRELIMINARY REPORT

For the year ended 30 June 2008

For the first time in more than a quarter century, Gross Fixed Capital Formation (GFCF) has taken centre stage in defining the future economy of many developing nations, including South Africa. "The build-out of the developing world, as it closes the infrastructure gap with the developed world, will probably be the most important theme in global investments for the coming decade" cites a recent investment report.*

Murray & Roberts has more than trebled in size over the past three to four years, having previously divested all its underperforming and non-strategic businesses and acquired new construction industry capacity in Cementation, Concor and Clough and more recently, Ocon Brick and Wade Walker.

For South Africa to succeed and provide quality of life for all its people, it is essential for significant new fixed investment to be made in critical infrastructure for Transport & Logistics; Power & Energy; Water & Sanitation; Telecommunications; Health & Education; and Accommodation & Facilities.

Murray & Roberts has developed a formidable performance platform and capacity to embrace the growth challenge offered by investment into these markets and its growing international operations.

Brian C Bruce
Group Chief Executive

* Analyst Equities Report

HIGHLIGHTS

Order book	↗ 144% to R55 billion
Attributable Earnings	↗ 144% to R1,7 billion
Headline Earnings	↗ 69% to 550 cents per share
Operating profit	↗ 63% to R2,4 billion
Revenue	↗ 57% to R27,9 billion
Operating cash inflow	↗ 61% to R3,1 billion
Final dividend	↗ 68% to 119 cents per share
8,6% Operating margin	↗ from 8,2%
40,3% Return on Average Equity	↗ from 20,9%

EXECUTIVE SUMMARY

The Directors are pleased to declare a final dividend of 119 cents per share (2007: 71 cents per share) increasing the total dividend for the full year by 69% to 196 cents per share (2007: 116 cents per share). Attention is drawn to the formal dividend announcement contained herein.

Operating cash inflow is up 61% at R3,12 billion (2007: R1,94 billion) for the year with a year-end net cash position of R4,3 billion (2007: R2,6 billion) after net capital expenditure up 72% at R1,67 billion (2007: R968 million). The R445 million decrease in working capital (2007: R637 million) reflects improved payments in Middle East and advance payments on major projects.

Headline earnings of 550 cents per share is up 69% on the previous year at the top-end of recent guidance offered to the market and ahead of the prospects statements included in the 2007 Annual Report and 2008 Interim Report. We are pleased with the turnaround in the fortunes of 56% held subsidiary Clough Limited (ASX: CLO) from the 38 cents per share loss recorded in the previous financial year.

Operating profit increased 63% to R2,40 billion (2007: R1,47 billion) on a 57% increase in revenues to R27,9 billion (2007: R17,8 billion). The operating margin of 8,6% (2007: 8,2%) is again the highest ever recorded by Murray & Roberts and has moved well within the revised strategic range of 7,5% to 10,0% set for the foreseeable future.

Shareholder Funds increased 34% to R4,86 billion (2007: R3,64 billion) and a return of 40,3% (2007: 20,9%) on average shareholder funds in the year underpins an increase in the strategic Group target threshold from 20% to 30%.

Operations

Public sector expenditure on infrastructure has emerged strongly through the year, with a full range of programs now evident in the power, transportation and water sectors. The general level of investment associated with 2010 Soccer World Cup preparation has increased, including additional allocations for the various stadium projects.

Southern Africa regional construction activities recorded revenues up 16% at R5,8 billion (2007: R5,0 billion) and delivered operating profits of R421 million (2007: R328 million) at a margin of 7,3% (2007: 6,6%). This includes a positive R86 million contribution arising from a fair value adjustment on concession investments (2007: R76 million).

Despite the increased interest rate regime and decline in consumer activity, there is still good activity in the private commercial building sector, particularly for hotels and high-end residential developments.

Murray & Roberts has secured a lead position in the mechanical and civil works for the world's largest thermal power stations currently under construction. Engineering contracting operations delivered revenues of R1,6 billion (2007: R794 million) delivering operating profits of R70 million (2007: R46 million) at a margin of 4,4% (2007: 5,8%) with benefits only expected to flow from the 2009 financial year. Private investment into new industrial capacity has waned through the year, but has been compensated by increased activity in the power sector and minerals beneficiation.

Market activity has increased throughout the Gulf, fuelled by the free cash flow from higher oil revenues into the region. The Group's primary focus is in the United Arab Emirates and

Bahrain where major project activity continues to dominate market opportunity. Middle East construction recorded revenues of R2,83 billion (2007: R2,38 billion) an increase of 19% and delivered an operating profit of R234 million (2007: R123 million) at a margin of 8,3% (2007: 5,1%). The Concourse 2 Project for Dubai International Airport was successfully completed and handed over to the client in the year.

Global mining contracting operations in South Africa, Australia and Canada recorded increased revenues of R5,2 billion (2007: R3,6 billion) and an operating profit of R406 million (2007: R233 million) at a margin of 7,8% (2007: 6,5%). South African mining activity has remained steady while international mining markets continued to deliver strong growth.

The Group's construction materials and services companies have delivered exemplary performance again this year off improved levels of gross fixed investment in Southern Africa and Middle East.

Reinforcing steel construction products and trading services increased revenues 41% to R3,1 billion (2007: R2,2 billion) at an operating profit of R286 million (2007: R168 million).

Concrete and Asphalt infrastructure products increased revenues 20% to R1,49 billion (2007: R1,24 billion) at an operating profit of R328 million (2007: R302 million).

Clay, steel and concrete building products delivered revenues of R632 million (2007: R634 million) at an operating profit of R100 million (2007: R133 million). This sector has felt the impact on consumer affordability of higher interest rates.

Specialist services to the construction and infrastructure sector delivered an operating profit of R186 million (2007: R133 million) on revenues of R587 million (2007: R411 million).

Steel fabrication and manufacturing operations recorded revenues up 23% to R1,6 billion (2007: R1,3 billion) at an operating profit of R177 million (2007: R83 million).

Corporate overheads decreased marginally to R147 million (2007: R152 million) in the year before a R57 million (2007: R67 million) contribution from Properties and a charge of R43 million (2007: R21 million) relating to share-based payments accounted for in terms of IFRS 2. Corporate capacity continues to play an important role engaging risk mitigation in the Group's major project and diverse geographic operations.

Clough Limited

Clough was consolidated into the Group accounts from 1 July 2007 and a new leadership team was established soon thereafter. With the exception of the G1 project in India where a substantial provision was taken in 2007 against possible settlement, all other legacy problems have been fully resolved. The potential of a G1 resolution has increased with Group executives acting as facilitator between the disputing parties.

The Group held 56% of the shares in Clough at year-end with outstanding convertible notes that will take the shareholding to about 60% before December 2009.

The Australian Dollar strengthened against the South African Rand through the year, which contributed to Clough revenues in the Group of R4,9 billion delivering operating profits of R321 million at a margin of 6,6%.

Full details on the Clough financial results for the year to 30 June 2008 and its prospects statement are available on www.clough.com.au

Exceptional Items

Clough has disposed of subsidiaries for a capital profit of R214 million. Various assets in South Africa have been re-valued at a net loss of R112 million which has been partially offset by a profit of R43 million on property disposals.

Black Economic Empowerment

The Group continues to build its broad-based black economic empowerment (BBBEE) and employment equity profiles, with many operations improving their ratings through the year. Almost a third of domestic operations are managed by historically disadvantaged executives, supported by a number of other key empowerment executives.

Total economic value created to date for an estimated 20 000 employees and community participants in the share-based ownership and trust scheme has exceeded R2,0 billion.

Skills Training and Development

Increasing demand for construction and engineering services is recognised as a potential performance risk to the Group when linked to the inherent supply deficit in industry experience, skills and leadership. The Group undertakes an extensive range of skills and leadership development initiatives either directly associated with its major project awards, or specifically geared to its underlying business requirements. A number of skills enhancement initiatives are undertaken in industry partnership and in association with South Africa's Department of Education.

The Gautrain Rapid Rail Link, Greenpoint Stadium and Medupi Power Station Projects in South Africa have established skills development programs and are all under the leadership of world class project management teams.

The Group funded more than 200 bursars at various universities and technikons in South Africa during the year and outside of the major projects, approximately 6000 (20%) employees undertook skills enhancement and training development.

Where necessary, the Group will supplement skills and experience deficits from international markets, where the Murray & Roberts brand and project portfolio is a significant attractor.

Acquisitions and Disposals

Murray & Roberts continues to seek acquisition opportunities that will serve to enhance its existing market presence and critical mass. All existing businesses are reviewed on a regular basis to ensure they remain aligned to the Group's strategic and performance objectives and fall within the general competence of Group leadership. During the year Clough disposed of its interests in subsidiaries Sheddon UHDE and CEM and the Clough Molteno JV.

The Competition Commission has approved the disposal transaction of Harvey Roofing with effect from 31 July 2008.

Health Safety and Environment

The declared objective of Group leadership is zero fatalities and disabling injuries on work sites and facilities under control of the Group. At year-end the Group directly employed more than 45 000 people with a further 40 000 to 50 000 from business partners contributing to the 216 million hours (2007: 172 million hours) recorded as worked in the year.

Safety statistics are reported in accordance with standard reporting protocol. Regrettably, 16 people (2007: 11 people) were fatally injured on Group worksites of which 15 (94%) were in South Africa and 50% (2007: 18%) were employees of business partners. This excludes the tragic death of 8 employees in the South Deep Mine accident on 1 May 2008. The formal investigation into this accident is in progress.

The Group's Stop.Think safety campaign continues to enhance behavioural awareness with a Lost Time Injury Frequency Rate (LTIFR) of 2,5 per million hours worked (2007: 3,0) recorded for the year. The Group LTIFR target of 1,0 demands further management attention to achieve the cultural changes needed to influence the change in attitude for sustainable HSE success.

The Group has enhanced its mapping of work-related health issues such as airborne and noise pollution and has modelled the basis of measurement of its carbon footprint, including energy consumption and gaseous emissions.

Market

South African GFCF exceeded 22% of Gross Domestic Product (GDP) in a year that experienced a slowing general economy. Construction Spend, nominally targeted at a third of GFCF, has moved above 6% of GDP. The Group remains of the opinion that nominal market growth will continue in the range 15% to 25% per annum for the foreseeable future.

High inflation and interest rate increases dampened South African consumer appetite for credit through the year with the housing retail sector experiencing a lowering in demand. However, government investment into primary economic infrastructure is now delivering the level and nature of major project opportunity specifically attractive to the Group.

Despite poor economic fundamentals in the US and Europe, socio-economic growth and development, driven primarily from Asia, continues to place increased demand into the natural resources sector. Indications are that demand growth, although cyclical, will continue for the foreseeable future.

This continues to have a major impact on the Group's international markets, which now comprise about 40% of total activity, where there is sustainable growth potential and major project opportunity. There are increased capacity constraints within the sector globally, which has the effect of driving construction inflation.

Order Book

The project order book stood at R55 billion at 1 July 2008 (2007: R22,5 billion), an increase of 144% in the year and up 45% on the R38 billion at the half-year. The order book includes R9,3 billion (A$1,20 billion) in Clough and R5,7 billion (10,4%) extending beyond June 2011.

The order book comprises Construction Middle East at R11,5 billion (R2,2 billion); Construction SADC at R12,4 billion (R8,5 billion); Mining SADC at R3,2 billion (R3,3 billion); Mining International at R2,7 billion (R1,6 billion); Clough at R9,3 billion (R5,0 billion); Engineering Contracting at R11,1 billion (R1,6 billion) and Fabrication & Manufacture at R4.8 billion (R0.3 billion). The amounts in brackets are the comparative levels at 30 June 2007. The regional order book is SADC 56% (58%); Middle East 22% (13%); Australasia 18% (24%) and North America 4% (5%).

The Group secured a significant involvement in South Africa's power generation program during the year, including boiler house mechanical works for Medupi and Kusile Thermal plants, civil works for Medupi and the EPCM contract for the PBMR Demonstration Plant.

The Group also took a lead role in the submission of a proposal for a conventional nuclear plant, ensuring the maximum possible localisation and skills transfer for systems and module fabrication and civil and structural construction.

Activity levels in the Group's construction materials and services companies remain high, supporting a positive future outlook for performance delivery. Not included in order book is the backlog in UCW relating to the locomotive contracts for Spoornet and the recently awarded supply of ERW steel pipe to Transnet for it multi-product pipeline, the latter valued at about R2,0 billion.

Directors and Management

There have been a number of changes in the directorate and executive of the Group during the second half-year. Mr Sonwabo "Eddie" Funde resigned as an independent non-executive director on 30 June 2008 following his appointment as South African ambassador to Germany. Mr David Barber was appointed independent non-executive director on 27 June 2008.

Mr Ian Henstock has joined the Group as commercial executive and Mr Andrew Skudder has been appointed to lead enterprise capability. Both executives have been appointed to the board of Murray & Roberts Limited.

Prospects and Trading Statement

Capital Expenditure in the year increased 70% to R1,7 billion (2007: R1,0 billion) and is set to increase by a further 30% at least in the year ahead. This level of investment is made possible by the margins and cash flows available in the current market and ensures the capacity needed for future growth.

Critical mass is increasingly an important differentiator for success in a market where major and complex projects often exceed the balance sheet capacity of construction companies. Global scale for global projects and investment programs remains a challenge in our industry sector, where the majority of players are small relative to risk and impediments to industry consolidation on a national level are high.

There is little indication that current levels of activity will be significantly affected by the turmoil in international financial markets although signs of increased volatility are evident in some market sectors. Murray & Roberts has embraced the growth challenge offered by increased investment into its domestic and international markets and despite the associated risks, maintains its non-negotiable commitment to sustainable earnings growth and value creation.

Subject to a continuation in current levels of fixed investment activity in the Group's markets, diluted headline earnings per share for the year ahead is expected to grow between 30% and 40% and due to exceptional profits taken in the 2008 financial year, diluted earnings per share is expected to grow between 25% and 35%.

A Business Update will be presented at the Group's annual general meeting to be held on 28 October 2008.

This Trading Statement has not been audited or reviewed and is provided in terms of paragraph 3.4(b) of the JSE Listings Requirements.

On behalf of the directors

Roy Andersen
Chairman of the Board

Brian Bruce
Group Chief Executive

Roger Rees
Group Financial Director

BEDFORDVIEW 27 August 2008

NOTICE TO SHAREHOLDERS

Declaration of final ordinary dividend (No. 113)

Notice is hereby given that the final dividend, dividend No. 113 of 119 cents per share (2007: 71 cents per share) in respect of the financial year ended 30 June 2008 has been declared payable to shareholders recorded in the register at the close of business on Friday 17 October 2008.

The salient dates for the final ordinary dividend are as follows:

Last day to trade cum the dividend	Friday	10 October 2008
Shares commence trading ex dividend	Monday	13 October 2008
Record date	Friday	17 October 2008
Payment date	Monday	20 October 2008

Share certificates may not be dematerialised or re-materialised between Monday 13 October 2008 and Friday 17 October 2008, both days inclusive.

On Monday 20 October 2008 the 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 will be dated and posted on 20 October 2008.

Dematerialised shareholder accounts will be credited at their CSDP or broker on Monday 20 October 2008.

By order of the Board

Y Karodia
Group Secretary

Bedfordview
27 August 2008

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

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Secretary: Y Karodia

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