

MURRAY & ROBERTS HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1949/029626/06
JSE Share Code: MUR | ISIN: ZAE000073441
("Murray & Roberts" or "Group")

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2011

R millions	Audited Annual 30 June 2011	Audited Annual 30 June 2010
Revenue	30 535	27 851
(Loss)/profit before interest, depreciation and amortisation	(93)	2 123
Depreciation	(562)	(566)
Amortisation of intangible assets	(23)	(22)
(Loss)/profit before interest and taxation	(678)	1 535
Net interest expense	(194)	(122)
(Loss)/profit before taxation	(872)	1 413
Taxation	(196)	(414)
(Loss)/profit after taxation	(1 068)	999
Income from equity accounted investments	86	15
(Loss)/profit from continuing operations	(982)	1 014
(Loss)/profit from discontinued operations (note 2)	(666)	215
(Loss)/profit for the year	(1 648)	1 229
Attributable to:		
– Owners of Murray & Roberts Holdings Limited	(1 735)	1 098
– Non-controlling interests	87	131
	(1 648)	1 229
(Loss)/earnings per share (cents)		
– Diluted	(585)	371
– Basic	(587)	373
(Loss)/earnings per share from continuing operations (cents)		
– Diluted	(387)	318
– Basic	(388)	319
Total dividend per ordinary share (cents)¹	–	105
Operating cash flow per share (cents)	101	208

¹ Reclassified as a result of discontinued operations
² Based on year to which dividend relates

SUPPLEMENTARY STATEMENT OF FINANCIAL PERFORMANCE INFORMATION

Reconciliation of weighted average number of shares in issue (000)	30 June 2011	30 June 2010
Number of ordinary shares in issue	331 893	331 893
Less: Weighted average number of shares held by The Murray & Roberts Trust	(6 737)	(7 658)
Less: Weighted average number of shares held by Murray & Roberts Limited	(676)	(676)
Less: Weighted average number of shares held by the Letsame BBBEE trusts	(28 917)	(28 946)
Weighted average number of shares used for basic per share calculation	295 563	294 613
Add: Dilutive adjustment for share options	1 029	1 233
Weighted average number of shares used for diluted per share calculation	296 592	295 846

Headline (loss)/earnings per share (cents) (note 3)	30 June 2011	30 June 2010
– Diluted	(503)	340
– Basic	(505)	341
Headline (loss)/earnings per share from continuing operations (cents) (note 3)	(394)	314
– Diluted	(396)	316
– Basic	(396)	316

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

R millions	Audited Annual 30 June 2011	Audited Annual 30 June 2010
(Loss)/profit for the year	(1 648)	1 229
Effects of cash flow hedges	(27)	(11)
Foreign currency translation movements	4	123
Total comprehensive (loss)/income for the year	(1 671)	1 341
Attributable to:		
– Owners of Murray & Roberts Holdings Limited	(1 787)	1 163
– Non-controlling interests	116	178
	(1 671)	1 341

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2011

R millions	Attributable to owners of Murray & Roberts Holdings Limited	Non-controlling interests	Total
Balances at 30 June 2009	5 581	1 053	6 634
Total comprehensive income for the year	1 163	178	1 341
Purchase/disposal of non-controlling interests (net)	(15)	(143)	(158)
Recognition of financial instrument on acquisition of business	(65)	–	(65)
Disposal of business	7	–	7
Net movement in non-controlling interest loans	–	(1)	(1)
Movement in treasury shares	19	–	19
Movement in share-based payment reserve	57	–	57
Transfer to non-controlling interests	18	(18)	–
Dividends declared and paid	(572)	(95)	(667)
Balances at 30 June 2010	6 203	974	7 177
Total comprehensive (loss)/income for the year	(1 787)	116	(1 671)
Purchase/disposal of non-controlling interests (net)	(64)	58	(6)
Net movement in non-controlling interest loans	–	36	36
Movement in treasury shares	20	–	20
Movement in share-based payment reserve	32	–	32
Transfer to non-controlling interests	(3)	3	–
Recycled to the statement of financial performance	(3)	–	(3)
Dividends declared and paid	(187)	(87)	(274)
Balances at 30 June 2011	4 221	1 100	5 321

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2011

R millions	Audited Annual 30 June 2011	Audited Annual 30 June 2010
ASSETS		
Non-current assets		
Property, plant and equipment	3 325	4 233
Goodwill	435	554
Deferred taxation assets	470	343
Investment in associate companies	564	376
Other non-current assets	769	659
Current assets	11 137	13 512
Inventories	817	1 707
Trade and other receivables	1 929	2 207
Amounts due from contract customers (note 4)	5 290	5 787
Cash and cash equivalents	3 101	3 811
Assets classified as held-for-sale	2 860	1 448
TOTAL ASSETS	19 560	21 125
EQUITY AND LIABILITIES		
Total equity	5 321	7 177
Attributable to owners of Murray & Roberts Holdings Limited	4 221	6 203
Non-controlling interests	1 100	974
Non-current liabilities	1 873	2 383
Long-term liabilities ³	1 223	1 529
Long-term provisions	127	84
Deferred taxation liabilities	311	380
Other non-current liabilities	212	390
Current liabilities	11 184	11 315
Amounts due to contract customers (note 4)	2 244	2 446
Accounts and other payables	7 821	7 024
Bank overdrafts ³	47	1 245
Short-term loans ³	1 072	600
Liabilities directly associated with assets classified as held-for-sale	1 182	250
TOTAL EQUITY AND LIABILITIES	19 560	21 125

³ Interest-bearing borrowings

SUPPLEMENTARY INFORMATION

R millions	30 June 2011	30 June 2010
Net asset value per share (cents)	1 272	1 869
Capital expenditure (continuing)		
– Spent	832	1 093
– Authorised but unspent	852	955
Operating lease commitments	2 155	2 146
Contingent liabilities (note 5)	983	345
Financial institution guarantees	10 408	9 693

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2011

R millions	Audited Annual 30 June 2011	Audited Annual 30 June 2010
(Loss)/profit before interest, depreciation and amortisation	(734)	2 588
– Continuing	(93)	2 123
– Discontinued	(641)	463
Non-cash items	1 380	(204)
– Non-cash charges including impairments	1 009	79
– Non-cash contract completion expenses	585	–
– Fair value adjustments	(214)	(283)
Cash outflow from headlease and other property activities	(6)	(47)
Decrease/(increase) in working capital	232	(831)
Cash generated from operations	872	1 404
Interest and taxation paid (net)	(538)	(713)
Operating cash flow	334	691
Dividends paid to owners of Murray & Roberts Holdings Limited	(187)	(572)
Dividends paid to non-controlling interests	(87)	(95)
Cash flow from operating activities	60	24
Property, plant and equipment and intangible assets (net)	(747)	(843)
Acquisition of associates	(7)	(341)
Acquisition of non-controlling interests	–	(59)
Business (acquisitions)/disposals (net)	(70)	592
Assets classified as held-for-sale (net)	741	(154)
Other investments (net)	–	183
Other (net)	21	(14)
Cash flow from investing activities	(82)	(736)
Net increase in borrowings	529	377
Treasury share disposals (net)	20	19
Cash flow from financing activities	549	396
Net increase/(decrease) in cash and cash equivalents	547	(516)
Net cash and cash equivalents at beginning of year	2 566	2 876
Effect of foreign exchange rates	(59)	6
Net cash and cash equivalents at end of year	3 054	2 566

SEGMENTAL ASSETS

at 30 June 2011

R millions	Audited Annual 30 June 2011	Audited Annual 30 June 2010
Reconciliation of segmental assets		
Total assets	19 560	21 125
Deferred taxation assets	(470)	(843)
Current taxation receivable	(83)	(112)
Cash and cash equivalents	(3 101)	(3 811)
	15 906	16 859

Segmental assets and operating costs relating to Corporate are R140 million (2010: R66 million) and R291 million (2010: R312 million) respectively. Refer to the commentary for the detailed segmental analysis.

NOTES

1. Basis of preparation

These condensed consolidated annual financial statements for the year ended 30 June 2011 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the AC 500 standards as issued by the Accounting Practices Board or its successor, IAS 34: Interim Financial Reporting and in compliance with the requirements of the Companies Act, No. 71 of 2008 of South Africa. This report was compiled under the supervision of AJ Bester (CA) SA, group financial director.

The accounting policies used in the preparation of these results are in accordance with IFRS and are consistent in all material respects with those used in the audited annual financial statements for the year ended 30 June 2010.

The auditors, Deloitte & Touche, have issued their opinion on the Group's annual financial statements for the year ended 30 June 2011. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. This preliminary report has been derived from the Group's annual financial statements and is consistent in all material respects. A copy of their audit report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's auditors.

2. (Loss)/profit from discontinued operations

Discontinued operations include the Group's property divisions, interests in steel reinforcing bar manufacture and trading operations, Johnson Arabia crane hire and Clough's marine operations.

Prior to 30 June 2011, the Group received conditional offers for Johnson Arabia crane hire and the steel reinforcing bar roof bolt division.

Post-30 June 2011, Clough Limited received a conditional offer for the sale of its marine operations.

R millions	30 June 2011	30 June 2010
Revenue	2 646	4 656
(Loss)/profit before interest, depreciation and amortisation	(641)	463
Depreciation and amortisation	(69)	(117)
(Loss)/profit before interest and taxation	(710)	346
Net interest expense	(58)	(74)
Taxation credit/(expense)	118	(56)
Loss from equity accounted investments	(16)	(1)
(Loss)/profit from discontinued operations	(666)	215
Non-controlling interest relating to discontinued operations	79	(57)
Cash flows from discontinued operations include the following:		
Cash flow from operating activities	(129)	335
Cash flow from investing activities	574	(357)
Cash flow from financing activities	(466)	(103)
Net decrease in cash and cash equivalents	(21)	(125)

3. Reconciliation of headline (loss)/earnings

R millions	30 June 2011	30 June 2010
(Loss)/profit attributable to owners of Murray & Roberts Holdings Limited	(1 735)	1 098
Investment property fair value adjustments	5	(101)
Profit on disposal of subsidiaries	(17)	(10)
Profit on disposal of property, plant and equipment	(49)	(6)
Impairment of goodwill and other assets	398	7
Fair value adjustment and (profit)/loss on disposal of assets held-for-sale	32	–
Adjustments relating to business acquisitions	(62)	–
Other	1	1
Non-controlling interest effects on adjustments	(5)	4
Taxation effects on adjustments	(61)	13
Headline (loss)/earnings	(1 493)	1 006

Adjustments for discontinued operations:

Loss/(profit) from discontinued operations	666	(215)
Non-controlling interests	(79)	57
Investment property fair value adjustments	(5)	97
Profit on disposal of subsidiaries	17	–
Profit on disposal of property, plant and equipment	1	–
Impairment of goodwill and other assets	(324)	–
Fair value adjustment and (profit)/loss on disposal of assets held-for-sale	(34)	–
Adjustments relating to business acquisitions	1	–
Non-controlling interest effects on adjustments	6	–
Taxation effects on adjustments	74	(13)
Headline (loss)/earnings from continuing operations	(1 170)	932

4. Contracts-in-progress and contract receivables

R millions	30 June 2011	30 June 2010
Contracts-in-progress (cost incurred plus recognised profits, less recognised losses)	557	884
Unidentified claims and variations less payments received on account (recognised in terms of IAS 11: Construction Contracts)	1 968	1 966
Unidentified claims and variations	2 302	1 966
Less: Payments received on account	(334)	–
Amounts receivable on contracts (net of impairment provisions)	2 340	2 543
Retentions receivable (net of impairment provisions)	425	394
Amounts received in excess of work completed	(2 244)	(2 446)
	3 046	3 341

Disclosed as:

Amounts due from contract customers	5 290	5 787
Amounts due to contract customers	(2 244)	(2 446)
	3 046	3 341

¹ Amounts due from and to contract customers have been reclassified in the prior year to provide more meaningful disclosure. The net amounts due from and to contract customers remained unchanged.

5. Contingent liabilities

Contingent liabilities are related to disputes, claims and legal proceedings in the ordinary course of business.

6. Events after reporting date

On 8 August 2011, Clough Limited announced the disposal of its marine construction business for a cash consideration of AUD127 million. The financial effects of the transaction have not been brought into account at 30 June 2011. The results of the marine construction business have been disclosed as a discontinued operation with the assets and liabilities being recorded as held-for-sale.

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 annual financial statements, which significantly affects the financial position at 30 June 2011 or the results of its operations or cash flows for the year then ended.

Disclaimer

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are discussed in each year's annual integrated report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All profit forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.



COMMENTARY

Recovery and Growth

The Group remained resilient to conditions in its construction markets due to the diversity of operations and markets. Global mining and natural resources markets remain buoyant across the world. Construction and related activities in both southern Africa and the Middle East experienced subdued market conditions as a result of reduced Government infrastructure spend and unstable financial markets inhibiting private expenditure. Although significant progress was made by the Group in resolving contractual claims, the estimated costs to complete, inclusive of penalties, on a number of major contracts increased significantly and the decision to dispose of certain business operations resulted in the need to make material asset impairments. The net result is that the Group recorded a loss for the year.

The Board extends its condolences to the families, friends and colleagues of 12 employees who lost their lives while at work in the Group's operations during the year under review. Executive leadership has taken decisive action to address safety in the work place with an initiative primarily focussed on attitudes to safety and safe behaviour across the organisation.

A new leadership team has been appointed with effect from 1 July 2011, led by Henry Laas as group chief executive. The team has developed a Recovery & Growth plan which aims to return the Group to profitability in the 2012 financial year, with an improved liquidity position and growth thereafter.

Financial year to 30 June 2011

Revenues from continuing operations increased by 10% to R30.5 billion (2010: R27.9 billion). An operating loss of R676 million (2010: profit R1 535 million) was recorded after accounting for the following charges and contract completion costs for the 12 months to 30 June 2011:

- SADC Construction – R1 150 million: Gautrain Civils Joint Venture ("Gautrain") – Contract finalisation costs and provision for potential Competition Commission ("Competition") penalties on identified possible transgressions on other projects;
- Marine Construction: Gorgon Pioneer Materials Offloading Facility ("GPMOF") – R582 million of estimated contract completion costs;
- Middle East – R164 million for impairment of contract receivables in respect of legacy contracts; and
- Construction Products – R79 million impairment of assets.

The above charges and costs totalling R1 975 million increased from the R795 million of exceptional charges recorded to 31 December 2010 as a result of the following reasons:

- a provision for potential Competition penalties following the submission of previously unknown possible transgressions to the Commission in April 2011;
- a further provision against Gautrain contract receivables as a result of a new legal opinion received in respect of one component of the total claim;
- a Dispute Resolution Board ruling received in June 2011 requiring rectification work in respect of water ingress on the Rosebank to Park station section of the Gautrain tunnel, resulting in increased cost to complete and further delay penalties;
- a provision for increased arbitration legal costs in relation to the Gautrain Delay and Disruption claim, which is now only expected to be heard in 2013;
- losses on the GPMOF contract due to further delayed access post 31 December 2010, adverse weather conditions that hindered construction activities and allowed claims recognition in terms of IAS 11 (Construction Contracts); and
- a change in outlook on a market sector within the Construction Products platform requiring an impairment of related assets.

Excluding the above mentioned charges, the Group's normalised earnings before interest and tax for the year amounted to R1.3 billion. Such normalised earnings were weaker in the second half of the financial year, primarily as a result of lower than estimated contract final accounts achieved in the Middle East and delays in orders received primarily within the Construction Products Africa businesses.

On discontinued operations, R226 million in respect of impairment of assets held in businesses to be sold or closed was recorded which is, in addition to trading losses of R384 million for the year under review. Trading losses continued to be incurred in the second half of the financial year and additional provisions were made against assets to be sold or closed, based upon indicative disposal values.

As a consequence, the Group recorded a diluted headline loss per share of 334 cents and diluted loss per share of 387 cents both from continuing operations for the financial year to 30 June 2011, compared to the previous comparable period of diluted headline earnings per share of 314 cents and diluted earnings per share of 318 cents. After accounting for the loss on discontinued operations, the Group recorded a diluted headline loss per share of 533 cents and diluted loss per share of 585 cents respectively for the financial year to 30 June 2011, compared to the previous comparable period of diluted headline earnings per share of 340 cents and diluted earnings per share of 371 cents.

Notwithstanding the deterioration in earnings in the past financial year, the Group is well positioned for a return to profitability and growth in earnings.

Liquidity

The Group's liquidity position improved substantially from the net debt position at 31 December 2010 of R1 billion to a net cash position at 30 June 2011 of R759 million, excluding cash and interest bearing borrowings within discontinued operations. Whilst future revenue flows are anticipated, funding required to complete the Gautrain and GPMOF projects over the next six months is likely to again place the Group in a net debt position by 31 December 2011.

The Group's restricted liquidity position is being resolved through a structured approach involving four initiatives:

- profitable and cash generative financial results from all operations;
- sale of non-core operations and assets;
- restructuring of banking facilities, by spreading the term of the facilities and reducing the reliance on "on-demand" facilities; and
- resolution of project claims.

Good progress has been made on all initiatives. Arbitration proceedings have been initiated on a number of the Group's contract claims, however, final outcomes from these hearings are unlikely prior to 30 June 2012.

Major projects

Murray & Roberts retains the capability and capacity to execute major complex projects. Such projects will continue to be a substantial part of our business and a competitive differentiation into the future, but will be subject to more effective risk management processes.

Murray & Roberts Projects successfully renegotiated its contractual arrangements with Hitachi for the delivery of the mechanical erection of the Medupi and Kusile power stations. The revised contract terms have significantly de-risked the commercial position on these projects and future profitability on the power projects is now probable.

Murray & Roberts Construction, in joint ventures, is undertaking the majority of the civil works at Medupi Power Station ("Medupi Civil Works"). The contract is progressing satisfactorily despite the significant scope growth on the contract. Negotiations are in progress with Eskom to resolve outstanding claims related thereto.

Despite substantial completion of the Gautrain Rapid Rail Link project, the Group has made a material loss on its participation in construction activities on this project. During the year, additional charges were taken on the construction contract relating to the impairment of contract receivables, estimated costs associated with water ingress rectification work, delay penalties as well as increased costs to complete the project by January 2012. Bombala Concession Company has submitted its Statement of Case in connection with the Delay and Disruption and related disputes on the Gautrain Rapid Rail Link project.

The Group encountered late site access, adverse weather conditions and material scope changes at its GPMOF project in Western Australia. A significant charge was taken during the year in respect of the estimated costs to complete the project. The anticipated completion date of the project is January 2012.

During the year the Group's construction business in the Middle East participated in several major projects in Abu Dhabi. The Zayed University was completed whilst Saadiyat-St Regis resort complex will be completed during the course of the 2012 financial year. An arbitration proceeding on the Dubai International Airport Concourse 2 ("Dubai Airport") is following its course and the Group expects to resolve the final account settlement in the second half of the 2012 calendar year.

Cough is undertaking, in joint ventures, two major and profitable LNG (liquefied natural gas) projects, the PNG-C1 contract in Papua New Guinea and the Gorgon Downstream LNG contract in Western Australia.

The value of still to be agreed Group contract claims and variation orders included in the statement of financial position at 30 June 2011 was R1 959 million (2010: R1 959 million), net of on-account payments of R534 million. These claims have been taken to book in terms of IAS 11 (Construction Contracts) and following engagement with independent legal, commercial and claims consultants. The majority of this balance relates to claims in respect of Gautrain, Medupi Civils Works, GPMOF and Dubai Airport. The Board and management remain committed to the resolution of all contractual disputes and collection of resultant claims. As previously disclosed to shareholders, adjudication of these legally complex financial claims and variation orders within major projects has yet to be finalised, and is subject to arbitration and/or negotiation. As a consequence the potential exists for a materially higher or lower amount being finally awarded compared to that recognised in the statement of financial position at 30 June 2011.

Risk management

Managing risk effectively is at the heart of the Group's sustainability. The setbacks during the year on certain major projects have necessitated a renewed focus on identifying and evaluating risk within the Group. An increase in staffing of the legal and commercial teams is in progress. The Group's bespoke Opportunity Management System is being upgraded and improved project processes and systems are being implemented.

Competition Commission

The Group has committed to full co-operation with the Competition Commission ("Commission") to eradicate anti-competitive behaviour within the construction industry. In February 2011, the Commission announced a Fast Track settlement process aimed at providing a transparent, cost effective and swift resolution to its investigations into the construction industry. Regrettably, and due mainly to late notifications by former subsidiary company executives, a limited number of projects were identified where possible transgressions may have occurred. As a

consequence, the Group lodged its applications for these projects on 15 April 2011. A provision has now been made for potential penalties for these identified possible transgressions. The Board reiterates that it does not condone any anti-competitive or collusive conduct and all identified infringements have been disclosed to the Commission.

Notwithstanding the Group's efforts to disclose all anti-competitive matters to the Commission, there may be certain residual matters which have not yet come to the Group's attention and that may potentially give rise to additional penalties.

The Group's Statement of Business Principles is a detailed exposition of ethical standards and practices and has been distributed to all employees, service providers and business partners. The Business Principles leave no room for unacceptable practices such as collusion or corruption.

Disposal of non-core assets

R millions*	Crane Hire Services (Johnson Arabia)		Steel Reinforcing Products		Clough Marine Services & Properties		Properties SA	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue*	260	360	1 676	2 250	628	1 909	82	137
Operating (loss)/profit*	(59)	1	(61)	3	(73)	193	40	152
Trading*	–	–	1 (325)	3 (41)	249	40	152	–
Asset impairment*	–	–	(294)	–	(32)	(59)	–	–
Segment assets*	312	480	1 065	1 652	1 298	–	96	692
People	420	446	1 447	1 713	1 09	109	6	1

Discontinued operations in steel reinforcing bar manufacture and trading, Johnson Arabia crane hire and Clough's marine operations all produced losses in the year to 30 June 2011.

The sale of discontinued operations is well advanced and management is targeting for the transactions to be concluded by 31 December 2011. Conditional offers for the Group's shareholding in the N3 Toll Concession and Johnson Arabia were received prior to 30 June 2011. Clough announced the sale of its marine construction division for AUD127 million on 8 August 2011.

Construction Africa and Middle East

R millions*	Construction Africa		Marine		Middle East		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue*	5 597	7 960	1 031	351	2 480	2 882	9 108	11 193
Operating (loss)/profit*	(653)	133	(582)	77	(164)	300	(1 399)	510
Ongoing construction activities*	237	553	(582)	77	–	389	(345)	1 019
PPP Investments and Services*	260	199	–	–	–	–	260	199
Gautrain/Competition Commission penalties*	(1 150)	(619)	–	–	–	–	(1 150)	(619)
Contract receivables impairment*	–	–	–	–	(164)	(89)	(164)	(89)
Segment assets*	2 926	2 725	358	168	1 605	1 881	4 889	4 774
People	8 891	10 210	511	118	318	369	9 720	10 697
LTI/FR (Fatalities)	1.6 (1)	2.3 (3)	4.2 (0)	1.2 (0)	0.3 (0)	0.4 (2)	0.9 (1)	1.6 (5)
Order book*	6 929	7 184	606	502	2 430	4 393	9 965	12 079

Effective 1 July 2011, Nigel Harvey assumed executive responsibility for the Murray & Roberts Construction Africa and Middle East operating platform. The platform comprises the following operations:

- Construction Africa – Murray & Roberts Buildings, Murray & Roberts Western Cape, Murray & Roberts Botswana, Murray & Roberts Namibia, Concor Civils, Concor Roads & Earthworks, Concor Opencast Mining
- Murray & Roberts Marine
- Murray & Roberts Middle East
- PPP Investments and Services – Murray & Roberts Concessions and Tolcon.

Consolidated revenues decreased 19% to R9.1 billion (2010: R11.2 billion). Revenues in Africa were lower as a result of soft market conditions in South Africa primarily resulting from a reduction in Government's expenditure on infrastructure. Revenues were also lower as a result of the Gautrain project nearing completion.

The reduction in revenues and competitive tendering conditions impacted on the operating profit from ongoing construction activities in Africa. Further losses were incurred to ensure timely opening of the Gautrain system, despite delays incurred as a result of land deficiencies.

Marine's revenues were largely related to the GPMOF contract in Australia and the significant losses are largely related to claims still to be agreed.

Middle East revenues declined in-line with regional market conditions. Despite the successful delivery of a number of projects, in the light of unstable financial markets in that region a prudent approach was taken to estimate contract finalisation values. After accounting for overheads, the result for the region's continuing activities was break-even. A further impairment was taken on long-outstanding contract receivables.

A provision has been raised for identified possible transgressions of competition laws as submitted in terms of the authorities' Fast Track application process.

Construction Global Underground Mining

R millions*	Africa		Australasia		The Americas		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue*	4 789	3 569	714	404	2 286	1 372	7 789	5 345
Operating profit*	307	270	99	39	196	138	602	447
Segment assets*	1 288	983	409	273	1 011	738	2 708	1 944
People	15 265	14 498	313	189	1 374	1 123	16 952	15 810
LTI/FR (Fatalities)	2.1 (10)	3.2 (4)	6.9 (0)	6.0 (1)	0.0 (1)	0.0 (2)	2.2 (10)	3.1 (4)
Order book*	12 036	3 313	959	733	3 724	2 944	16 718	6 990

The Construction Global Underground Mining operating platform is led by Peter Adams. It comprises five Cementation businesses based in Johannesburg, Perth, North Bay (Canada), Salt Lake City and Santiago.

Consolidated revenues increased 46% to R7.8 billion (2010: R5.3 billion) with operating profit up 35% to R602 million (2010: R447 million), at a margin of 7.7% (2010: 8.4%). Sustained worldwide demand for commodities resulted in improved activity in all three operating regions and prospects are expected to remain positive for the foreseeable future.

The businesses are currently involved in the development of 21 deep level shafts across all regions.

Construction Australasia Oil & Gas and Minerals

R millions*	Clough		Forge*	
	2011	2010	2011	2010
Revenue*	5 387	3 843	2 926	1 642
Operating profit*	269	204	396	677
Segment assets*	2 056	2 667	3 527	3 103
People	3 527	3 103	–	–
LTI/FR (Fatalities)	0.2 (0)	2.2 (0)	–	–
Order book*	11 467	6 685	–	–

* Reflected at 100%. Forge is equity accounted as a 33% (2010:31%) associate within the consolidated results. The 2010 results are for a full year for comparative purposes, even though the interest in Forge was only acquired in April 2010.

Kevin Gallagher has been appointed Clough CEO to succeed John Smith by the end of the calendar year. Murray & Roberts holds a 62% shareholding in Clough Limited, a company that delivers an integrated engineering, procurement and construction service primarily to oil & gas and minerals projects in Australia and Southeast Asia. Clough in turn owns 33% of Forge Group Limited, also an ASX listed company, involved in engineering, construction, procurement and maintenance in the mineral resources sector.

Revenues increased 40% to R5.4 billion (2010: R3.8 billion) with operating profit up 32% to R269 million (2010: R204 million) at a margin of 5.0% (2010: 5.3%).

Australian government support for the development of their resources sector, together with ongoing high levels of investments in oil & gas and minerals projects, present many opportunities for Clough and the Clough-Forge relationship.

Full details on the Clough and Forge financial results for the year to 30 June 2011 and its prospects are published on www.clough.com.au and www.forgegroup.com.au respectively.

Engineering Africa

R millions*	Power Programme*		Engineering*		Total	
	2011	2010	2011	2010	2011	2010
Revenue*	3 337	1 099	757	619	4 094	1 718
Operating (loss)/profit*	(34)	36	(17)	30	(51)	68
Segment assets*	901	1 557	340	245	1 241	1 802
People	4 362	2 557	831	629	5 193	3 186
LTI/FR (Fatalities)	1.5 (0)	0.8 (0)	1.0 (0)	2.3 (0)	1.3 (0)	1.5 (0)
Order book*	13 411	15 578	800	569	14 211	16 147

* Murray & Roberts Projects power programme contracts and Genec.

* Includes Wade Walker, Concor Engineering and Murray & Roberts Projects non-power programme projects.

Effective 1 July 2011, Frank Saieva assumed executive responsibility for the Engineering Africa operating platform. The platform includes Murray & Roberts Projects, Genec, Wade Walker and Concor Engineering. The results of Murray & Roberts Projects and Genec's involvement in the Medupi and Kusile power station projects are grouped together under the Power Programme.

Consolidated revenues increased 138% to R4.1 billion (2010: R1.7 billion) primarily driven by increased activity on the power station projects.

A new commercial arrangement was entered into between Murray & Roberts Projects and the main contractor on the power station projects, Hitachi Power. The arrangement settles past disputes and significantly reduces the commercial risk and future profitability on the power projects is now probable.

Murray & Roberts Projects is also active in a number of other projects and is seeking further opportunities in minerals, water and industrial projects.

Genec is operating at full capacity manufacturing steel for the power station projects, while positioning itself for future opportunities outside the power programme.

Wade Walker suffered from delays in the award of new work during the year under review but now has a strong order book that is well diversified across geographies and sectors.

Construction Products Africa

R millions*	Construction Products*		Industrial Products*		Total	
	2011	2010	2011	2010	2011	2010
Revenue*	3 147	4 988	1 010	764	4 157	5 752
Operating profit*	75	612	117	6	192	618
Ongoing activities*	154	612	117	6	271	618
Asset impairment*	(79)	–	–	–	–	(79)
Segment assets*	1 663	1 909	438	823	2 101	2 732
People	3 808	3 939	1 122	1 277	4 930	5 216
LTI/FR (Fatalities)	2.6 (1)	3.7 (0)	7.6 (0)	5.1 (0)	3.9 (1)	4.0 (0)
Order book*	587	367	2 421	1 809	3 008	2 176

* Includes Hall Longmore, Rocla, Much Asphalt, Ocon and Technicrete.

* UCW.

Orrie Fenn leads the Construction Products Africa operating platform. The platform comprises Hall Longmore, Much Asphalt, Rocla, Technicrete and Ocon Brick. Industrial Products reflects the Group's investment in Union Carriage & Wagon (UCW).

Consolidated revenues decreased 28% to R4.2 billion (2010: R5.8 billion).

Revenues at Hall Longmore declined sharply following the completion of Transnet's 720 kilometre New Multi-Product Pipeline project. This major project, worth more than R2 billion to Hall Longmore, accounted for 70% of turnover in the prior year. After incurring idle factory time, progress is being made in re-establishing the order book.

Much Asphalt again performed well on the back of ongoing freeway and other road construction in the major metropolitan region.

Decisive measures were taken in the year to position Rocla for profitability. The company's trading environment was extremely challenging, with Government cutting back on infrastructure spend and little to no activity in the residential market.

The building products businesses, Technicrete and Ocon, performed well in the face of difficult conditions in the building industry.

UCW performed well, delivering a substantial number of locomotives. A contract extension for the production of additional locomotives for Transnet was concluded and UCW is again engaged in FPSAs's refurbishment programmes.

Health, safety and the environment

The safety of all who work for and with Murray & Roberts is of paramount importance. The Health, Safety and Environment Committee worked tirelessly with management, throughout the year, to sharpen its focus on workplace safety and to chart new and improved principles, practices and procedures.

DuPont Sustainable Solutions ("DuPont") were tasked with assessing our South African operations against international best practice. An outcome of the DuPont process, which is still underway, is the formulation of a new Group Health and safety plan to support our vision of "Together Towards Zero Harm" for Health, Safety and the Environment.

The actions taken in this critical area underscore the importance that Murray & Roberts attaches to safety. We are determined to increase our efforts across the Group to keep our people safe and to weave safety considerations into the fabric of our business.

Murray & Roberts creates permanent value by establishing infrastructure that serves societies and communities. In doing so, the Group is committed to inflicting no harm on the environment. Operators mostly have a low environmental impact but we acknowledge that the Group still has much work to do on this important aspect of the business.

Human capital, transformation and skills development

Our people give Murray & Roberts its competitive edge. The Group continues to invest significantly in retaining and developing talent across all of its operations.

The Group initiated a leadership assessment programme to identify talent for mentoring and fast-tracking and 187 delegates took part in Leadership Development Programmes.

Empowering all of our people will be a key driver for success and the Group is acutely aware of the need to create an environment in which transformation can take place to become a preferred employer among talented black graduates, artisans and managers. While there was no major change to the Group's Broad-Based Black Economic Empowerment rating this year, Murray & Roberts remains committed to the principles of equitable, affirmative access to economic and employment rights. The Group retained Level 4 contributor status.

Leadership

The Group's future Executive Committee will consist of Henry Laas (chairman), Cobus Bester, Orrie Fenn, Peter Adams, Nigel Harvey, Ian Henstock, Frank Saieva, Andrew Skudder and Yusuf Karodia as company secretary.

Guided by renewed purpose, values and vision, the Group's operating structure has been realigned to best support the Recovery & Growth plan. The structure has focussed operating platforms with businesses grouped by similar markets and core competencies allowing better risk management and decision-making. The five operating platforms are: Construction Africa and Middle East; Construction Australasia Oil & Gas and Minerals; Construction Global Underground Mining; Engineering Africa; and Construction Products Africa.

The operating platforms bring together industry leading capabilities and strong brands. Business plans