



MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ADR Code: MURZY

ISIN: ZAE000073441

(“Murray & Roberts” or the “Company” or “Group”)

TRADING STATEMENT, COMPLETION OF INFRASTRUCTURE & BUILDING DISPOSAL, BUSINESS UPDATE AND ATON SHAREHOLDING UPDATE

Trading Statement

In terms of paragraph 3.4(b) of the Listings Requirements, a company is required to publish a trading statement as soon as it becomes aware, with a reasonable degree of certainty, that the financial results for the next period to be reported on are likely to vary by more than 20% from the previous corresponding period.

Shareholders are referred to the ‘Business Update’ and the ‘Reviewed Interim Results’ announcement published on the SENS on 3 November 2016 and 22 February 2017 respectively, wherein the Company stated that earnings for financial year 2017 were expected to decline when compared to financial year 2016, mainly due to persistent low energy prices and difficult trading conditions. Shareholders are advised that the results for the financial year ending 30 June 2017 will also be impacted by additional costs, not accounted for in the interim financial results, associated with the completion of the remaining four building projects in the Middle East, scheduled to be completed by the end of the 2017 calendar year.

Accordingly, shareholders are advised that Murray & Roberts expects basic earnings per share (“EPS”) and basic headline earnings per share (“HEPS”) for the year ended 30 June 2017, to be more than 20% lower than the basic EPS of 189 cents and the basic HEPS of 158 cents reported for the previous comparative reporting period.

Shareholders are advised that a further trading statement will be released as soon as there is a reasonable degree of certainty as to the likely range within 20%, by which the Company’s EPS and HEPS are expected to decrease.

Completion of Infrastructure & Building Business Platform Disposal

Further to the announcement made by Murray & Roberts on 1 November 2016, regarding the disposal of the Infrastructure & Building platform, shareholders are advised that all Conditions Precedent in relation to the Transaction have been fulfilled. Shareholders are further advised that the Transaction has been implemented in accordance with its terms.

Business Update

The disposal of the Infrastructure & Building platform excluded the business in the Middle East, as the buyer was not interested in acquiring this business. The Board thus decided to exit the business in the Middle East and all construction activity on projects should be completed by the end of the 2017 calendar year. Closure of this business is very costly, mainly due to increased cost associated with the remaining construction work on the last four projects, as well as an unfavourable arbitration ruling on a subcontractor claim on a project which was completed in 2011.

Overall, the three continuing business platforms (post the disposal of the Infrastructure & Building platform) are performing in line with management's expectations. Below is a brief update on each business platform:

Oil & Gas Platform – The oil and gas market remains depressed, despite the stabilisation of the oil price around US\$50 per barrel. Investment in this sector remains low and there are no new major capital projects that the platform is working on. This business platform will continue to be active in the Australasian commissioning market for at least the next 12 months and Brownfields operations and maintenance opportunities are expected to be the main source of earnings for the short to medium term. Liquefied Natural Gas is expected to be in oversupply until 2021, and investment in new capacity to meet demand after 2021 will present new opportunities. Earnings for 2017 financial year are expected to be at the 'low point' for this platform.

Underground Mining Platform – There are encouraging signs that the metals and minerals cycle has turned and that producers are gradually starting to re-invest in the mining sector. The platform expects strong growth in the short to medium term. Market conditions have improved in South Africa, Zambia and Australasia, whilst the USA and Canadian markets are a bit slower to recover. Contract mining projects are a main focus area and contract mining is currently being undertaken in all the main targeted geographic regions, providing a more stable and longer term baseload of work.

Power & Water Platform - The Medupi and Kusile power station projects remain the main source of income for this platform. The recent loss of Eskom's Duvha Unit 3 tender to Dongfang, a company based in China, was a major disappointment, as the next major power project opportunity is expected to be the Khanyisa IPP coal-fired power station. Construction work for this project is only expected to start late in the 2018 calendar year. The local oil and gas sector, specifically Sasol, continues to present project opportunities and is a main focus area for the platform. Efforts are ongoing to establish a meaningful water business, with a focus on desalination, innovative municipal wastewater treatment technologies, industrial modular water treatment plants and acid mine drainage.

ATON Shareholding Update

Shareholders are referred to the announcements released on SENS on 22 February 2017, regarding the acquisition by ATON GmbH ("ATON") of a beneficial interest in Murray & Roberts of 25.5%. As advised at the time, the Company engaged with ATON following the announcements. Discussions were held with ATON as a major minority shareholder, specifically regarding the Company's interim results. As of 30 April 2017, ATON's beneficial interest in Murray & Roberts has increased to 29.998% according to the Company's analysis. The Company has not received any further guidance, correspondence or communication from ATON regarding its future intentions for its investment in the Company.

Shareholders are advised that the financial information contained in this announcement, has not been reviewed or reported on by the Group's external auditors.

Capitalised terms used but not defined in this announcement have the meanings set out in the Circular posted to shareholders on 10 November 2016.

Bedfordview
8 May 2017

Sponsor: Deutsche Securities (SA) Proprietary Limited