



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”)

ANNOUNCEMENT REGARDING THE RECOMMENDATION BY THE COMPETITION COMMISSION OF SOUTH AFRICA RELATING TO THE MANDATORY OFFER BY ATON GMBH (“ATON”)

1. INTRODUCTION

Shareholders are referred to the various announcements published on SENS regarding ATON's mandatory offer in terms of section 123 of the Companies Act, 71 of 2008 to all Murray & Roberts shareholders, other than ATON or ATON's affiliates, to acquire all the remaining issued and to be issued ordinary shares of Murray & Roberts not already owned by ATON (“Mandatory Offer”).

The Mandatory Offer is subject to the fulfilment or waiver, as the case may be, of certain conditions precedent, including obtaining merger control clearances or approvals from the competition authorities in all relevant jurisdictions, specifically the South African competition authorities.

2. COMPETITION COMMISSION RECOMMENDATION

Shareholders are advised that on 19 July 2019 the Competition Commission of South Africa (“Competition Commission”) published a media statement regarding its recommendation to the Competition Tribunal of South Africa (“Competition Tribunal”) that the merger involving ATON and Murray & Roberts be prohibited (“Recommendation”).

The full text of the Competition Commission's media statement is set out in the announcement below.

The Competition Commission has not yet provided the parties with the full reasons for its Recommendation. The independent board of Murray & Roberts (“Independent Board”) together with its advisers will review the reasons for the Recommendation once received.

3. MEDIA STATEMENT BY THE COMPETITION COMMISSION

The full unedited text of the media statement released today by the Competition Commission is set out below:

ATON/MURRAY & ROBERTS TRANSACTION MUST BE PROHIBITED

The Commission has recommended to the Competition Tribunal that the proposed acquisition of Murray & Robert by Aton be prohibited.

Aton, the acquiring group, is a company incorporated in accordance with the laws of Germany and the company controls a number of firms including Remgro-Capevin Investments (Pty) Ltd, Financial Securities (Pty) Ltd, Unilever South Africa Holdings (Pty) Ltd and others.

In South Africa, the Aton Group through Redpath SA, provides a range of mining services to Sub-Saharan Africa including the excavation of vertical or inclined openings from the surface for conveyance of miners, materials, ventilation, pumping water, in addition to hoisting ore and waste rock, operational or maintenance activities, infrastructure development and upgrade and whole of mine operational management.

M&R, a company listed on the JSE, focuses its expertise and capacity on delivering sustainable and fit-for-purpose project engineering, procurement, construction, commissioning, operations and maintenance solutions. The company also delivers its capabilities into three global sectors: oil & gas; underground mining; and power & water.

The Commission found that the merging parties are close competitors and that this transaction will, for both parties, result in the removal of their closest and strongest competitor.

During the investigation of the proposed transaction, the Commission received concerns that the proposed transaction will potentially negatively impact potential competitors. The concerns were that the merger will potentially create a company that has such size and scale that it has the financial wherewithal to throttle competition. Further, the merger will create a company that potentially has the financial muscle to buy projects or to discount projects to such an extent that other companies cannot compete.

In relation to employment, there has not been any suggestion by either Aton or M&R that there exists a likelihood of the current employees of M&R losing their jobs in the foreseeable future. It has not been argued that M&R is struggling financially or is facing any commercial or business threats which could endanger jobs in the near future. Accordingly, the commitment by Aton in relation to the preservation of jobs after the expiry of the Kusile and Medupi projects is not tantamount to saving jobs or the creation of new employment opportunities. M&R has not indicated any difficulties in retaining its current employees in the future. Even if the Commission were to find that there is a chance of M&R not being able to retain employees, the commitment would amount to job preservation which the Commission generally expects from an acquirer who is acquiring another firm with a view of saving it.

The Commission found that the proposed transaction results in a substantial lessening of competition. Thus, the Commission recommends that the proposed transaction be prohibited.

4. GUIDANCE FOR SHAREHOLDERS

Shareholders are advised that ATON has the right to contest the Recommendation. Should ATON decide to contest the Recommendation, a pre-hearing conference will be convened by the Competition Tribunal within 10 business days of the Recommendation. At the pre-hearing conference, a timetable will be determined. The Competition Tribunal will thereafter determine an appropriate set-down date for a merger hearing. Following the merger hearing, the Competition Tribunal, having reference to the Recommendation, can either prohibit the merger or approve it (with or without conditions).

Should ATON decide not to contest the Recommendation, the Mandatory Offer will fail in accordance with its terms.

The Independent Board will continue to engage with the regulators as required and update shareholders regarding all relevant developments regarding this matter.

5. STAKEHOLDER CALL AND MEDIA QUERIES

The Independent Board will host a conference call at 10:00 (CAT) on Monday 22 July 2019 regarding the contents of this announcement. Details are as follows:

Johannesburg (Telkom) - 010 201 6800
Johannesburg (Neotel) - 011 535 3600
Australia (Toll Free) - 1 800 350 100
USA and Canada - 1 508 924 4326

Participants are advised to dial-in five minutes early and to ask to be joined into the Murray & Roberts Holdings Limited call.

For all other media enquiries, please contact:

Ed Jardim
Group Investor and Media Executive
E-mail: eduard.jardim@murrob.com

6. RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of the information.

Bedfordview
19 July 2019

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