



## **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")

## **COMPETITION COMMISSION OF SOUTH AFRICA ADDITIONAL MEDIA STATEMENT ON THE MANDATORY OFFER BY ATON GMBH ("ATON")**

### **1. INTRODUCTION**

Shareholders of Murray & Roberts are referred to the announcement released on Friday 19 July 2019 at 16:00, setting out the prohibition recommendation by the Competition Commission of South Africa relating to the mandatory offer by ATON.

The Competition Commission released a weekly media statement late on Friday afternoon 19 July 2019, in relation to matters considered by the Competition Commission. Part of the media statement focused on the ATON v Murray & Roberts merger filing. To keep the market fully informed, the unedited text of the weekly media statement released by the Competition Commission is set out below.

### **2. MEDIA STATEMENT BY THE COMPETITION COMMISSION**

#### **ATON GmbH (ATON) v Murray & Roberts Holdings (M&R)**

The Commission has recommended to the Competition Tribunal (Tribunal) that the proposed merger, whereby Aton intends to acquire M&R, be prohibited. The proposed merger is a hostile takeover of M&R by Aton.

Aton is a company incorporated in accordance with the laws of Germany. Aton controls a number of firms, some of which have operations in South Africa. Aton and all the firms it controls will collectively be referred to as the Acquiring Group. In South Africa; Aton, 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 is a public company listed on the Johannesburg Stock Exchange and as such is not controlled by any firm or group of firms. M&R is the ultimate parent company of the M&R Group, a multinational project lifecycle group that applies its capabilities to optimize client's fixed capital investment. The M&R Group focuses its expertise and capacity on delivering sustainable and fit-for-purpose project engineering, procurement, construction, commissioning, operations and maintenance solutions. The M&R Group delivers its capabilities into three global sectors: oil & gas; underground mining; and power & water.

The Commission considered the effects of the proposed transaction and found that the merging parties are close competitors in the underground mining market in South Africa. In

particular, the Commission found evidence of substantial and ongoing competitive interactions between the merging parties in shaft-sinking, raise boring, contract mining and mine development, and underground construction. The Commission's analysis also found that, for a number of reasons, there are a limited number of firms which would be able to impose a competitive constraint on the merged entity post-merger. This suggests that the merged entity would be able to exercise its market power without the credible disciplining effect of rivalry. The Commission is therefore of the view that the proposed transaction will result in a substantial prevention or lessening of competition.

The Commission also considered submissions from Aton regarding the public interest as set out in the Competition Act. Further, Aton submitted that the merger would result in efficiencies. The Commission however found that both the public interest commitment and the proposed efficiencies were not likely to outweigh the significant competition concerns identified during the assessment of the merger.

The merging parties and the Commission were ultimately also not able to agree on a set of merger conditions which would remedy the competition concerns identified. In this regard, the Commission recommends that the proposed transaction be prohibited.

### **3. 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  
22 July 2019

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