



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 “Group”)

CATEGORY 2 TRANSACTION: ACQUISITION OF THE TERRA NOVA TECHNOLOGIES BUSINESS (“TNT”), COMPRISING THE ACQUISITION OF THE BUSINESS OF TERRA NOVA TECHNOLOGIES INC. AND THE SHARES OF TERRA NOVA TECHNOLOGIES CHILE LIMITADA

1. INTRODUCTION

The board of directors of Murray & Roberts is pleased to announce the conclusion of an agreement, whereby Cementation Americas (“**CemA**”), which forms part of the Murray & Roberts Underground Mining platform, has acquired 100% of TNT (“**the Transaction**”) for a total consideration of US\$38 million (ZAR552 million).

2. OVERVIEW OF TNT

TNT was established in San Diego, California in 1997 and is owned by the Wood Group (“**the Seller**”). TNT operates from offices in San Diego, Boise (Idaho) and Santiago (Chile). TNT provides services to the global mining industry (both surface and underground) and design, supply and commission overland conveyors, crushing/conveying systems, mobile stacking systems, including dry stack tailings and heap leach systems, crushing and screening plants and in-pit crushing and conveying systems. TNT also provides process equipment for mining projects. TNT has a diverse international footprint and has delivered 75 projects in more than 15 countries.

3. RATIONALE FOR THE TRANSACTION

The acquisition of TNT complements the engineering and construction services of CemA and the Murray & Roberts Underground Mining platform. Given the global reach and client network of the Murray & Roberts Underground Mining platform and the number of projects in execution at any time, the potential to grow the TNT business is significant. TNT’s presence in South America is expected to aid Murray & Roberts’ expansion into this continent.

TNT is a successful business which has reported good financial results since its inception. The high margin/low capital investment nature of TNT’s business will enhance the Murray & Roberts Underground Mining platform’s financial results.

4. CONSIDERATION

The Transaction consideration is US\$38 million (ZAR549 million). CemA will fund the consideration from a revolving and term loan credit facility and from existing cash resources.

5. CONDITIONS PRECEDENT TO THE TRANSACTION

The Transaction is subject to fulfilment of various conditions precedent which includes:

- transfer of the acquired TNT assets incorporating the business and contracts;
- close of financing which is subject to Bank's due diligence; and
- guarantee agreement by the Seller.

6. FINANCIAL EFFECTS OF THE TRANSACTION

Based on TNT's financial information for the 12-month period ended 31 December 2018:

- the value of the net tangible liabilities comprising net working capital was US\$0,7m and
- the EBITDA attributable to the business was US\$6,5 million.

7. EFFECTIVE DATE

The effective date of the Transaction will be on fulfilment of all conditions precedent which is expected to be no earlier than 1 May 2019.

8. JSE CATEGORISATION

The Transaction is a category 2 transaction in terms of paragraph 9.5(a) of the JSE Listings Requirements.

Bedfordview
25 March 2019

Sponsor
The Standard Bank of South Africa Limited