

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to this document, including the cover page, except where the context indicates a contrary intention.

Action required

If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, accountant, attorney or other professional adviser immediately.

If you have disposed of all your Murray & Roberts Shares, please forward this Circular to the purchaser of such shares or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.

Murray & Roberts Shareholders are referred to page 7 of this Circular, which sets out the action required by them.



Murray & Roberts Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1948/029826/06)

JSE code: MUR

ADR code: MURZY

ISIN: ZAE000073441

RESPONSE CIRCULAR TO MURRAY & ROBERTS SHAREHOLDERS

regarding:

- the recommendation of the Independent Board relating to the ATON Mandatory Offer to Murray & Roberts Shareholders, other than ATON and its Affiliates, in terms of section 123 of the Companies Act, to acquire all or a portion of the remaining Murray & Roberts Shares for a consideration of ZAR17,00 for each Murray & Roberts Share (subject to paragraph 3.9 of the ATON Mandatory Offer Circular), payable in cash;

and incorporating:

- the opinion of the Independent Expert appointed by the Independent Board that the ATON Mandatory Offer is not fair but reasonable.

Financial Adviser and Transaction Sponsor

Deutsche Bank



Independent Expert



Legal Adviser

WEBBER WENTZEL

in alliance with > Linklaters

Sponsor

Deutsche Bank

Deutsche Securities (SA) Proprietary Limited
(A non-bank member of the Deutsche Bank Group)



Date of issue: Monday, 2 July 2018

This Circular is available in English only. Copies may be obtained from the registered office of Murray & Roberts at the address set out in the "corporate information and advisers" section of this Circular and on Murray & Roberts' website www.murrob.co.za from the date of issue of this Circular to the Closing Date.

CORPORATE INFORMATION AND ADVISERS

Registered office

Murray & Roberts Holdings Limited
(Registration number 1948/029826/06)
Douglas Roberts Centre
22 Skeen Boulevard, Bedfordview 2007
(PO Box 1000, Bedfordview, 2008)

Place of incorporation: South Africa

Date of incorporation: 2 June 1948

Financial Adviser and Transaction Sponsor

Deutsche Bank
3 Exchange Square
87 Maude Street, Sandton 2196
(Private Bag X9933, Sandton, 2146)

Sponsor

Deutsche Securities (SA) Proprietary Limited
(A non-bank member of the Deutsche Bank Group)
(Registration number 1995/011798/07)
3 Exchange Square
87 Maude Street, Sandton 2196
(Private Bag X9933, Sandton, 2146)

Legal Adviser

Webber Wentzel
90 Rivonia Road, Sandton 2196
(PO Box 61771, Marshalltown, 2107)

Company Secretary

L Kok
Douglas Roberts Centre
22 Skeen Boulevard, Bedfordview 2007
(PO Box 1000, Bedfordview 2008)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number: 1983/002903/07)
22 Wellington Road, Parktown 2193
(Private Bag X605000, Houghton, 2041)

Transfer Secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, 19 Ameshoff Street, Braamfontein 2001
(PO Box 4844, Johannesburg, 2000)

IMPORTANT NOTICES TO MURRAY & ROBERTS SHAREHOLDERS

TRP APPROVALS

Shareholders should take note that the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves such transactions.

IMPORTANT NOTICES

- On 5 June 2018, ATON withdrew its Voluntary Offer and issued the new ATON Mandatory Offer to acquire all or a portion of the Murray & Roberts Shares that it does not already own.
- The Independent Board has assessed the ATON Mandatory Offer in conjunction with its advisers and obtained an Updated Independent Expert Opinion.
- The Updated Independent Expert Opinion on the ATON Mandatory Offer is that the offer is not fair but reasonable.
- Having assessed the Updated Independent Expert Opinion, the Independent Board's view remains unchanged that the fair value price range for control of Murray & Roberts is between ZAR20,00 to ZAR22,00 per Murray & Roberts Share.
- ATON's increased cash offer price of ZAR17,00 per Murray & Roberts Share remains below the Independent Board's fair value price range for control and is also below the trading price of Murray & Roberts Shares on the JSE as at the Last Practicable Date, which closed at ZAR17,53 and has traded as high as ZAR19,19 per Murray & Roberts Share on Monday, 4 June 2018.
- The Independent Board remains of the view that ATON is resolved to follow through on its offer to acquire control of Murray & Roberts. Furthermore, ATON is obliged to do so in terms of the ATON Mandatory Offer, unless the offer fails due to non-fulfilment of a condition precedent.
- The Independent Board has reached out to ATON regarding the Independent Board's stance on the Mandatory Offer and the terms at which the Independent Board would consider cooperating with ATON in implementing the ATON Mandatory Offer. The ATON Mandatory Offer Consideration, as currently construed, is one of the key reasons why the Independent Board is not prepared to cooperate with ATON on the implementation of the ATON Mandatory Offer at this stage.
- Accordingly, the Independent Board continues to advise Murray & Roberts Shareholders that they have time to evaluate the ATON Mandatory Offer and therefore are not required to take action in relation to the ATON Mandatory Offer at this stage. In the event that the ATON Mandatory Offer is declared unconditional in all respects, ATON is required to release an announcement on SENS. Murray & Roberts Shareholders would then have 10 Business Days from the date of such announcement to make a decision on the ATON Mandatory Offer, on the terms offered by ATON at that time.
- Shareholders wishing to sell their shareholding in the Company are currently able to do so on the open market at a higher price than the Increased Offer Price.

IMPORTANT INFORMATION

This Circular has been prepared for the purposes of complying with the Companies Act, the Companies Regulations published in terms thereof and the JSE Listings Requirements and, accordingly, the information disclosed may not be the same as that which would have been disclosed had this Circular been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law, and any person who is subject to the laws of any jurisdiction other than South Africa should therefore inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

Forward-looking statements

Statements in this Circular include “forward-looking statements” that express or imply expectations of future events or results. These statements include financial projections and estimates and their underlying assumptions, and statements regarding plans, objectives and expectations with regard to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words “anticipates”, “believes”, “estimates”, “expects”, “intends” and similar expressions. All forward-looking statements involve a number of risks, uncertainties and other factors, and Murray & Roberts and/or the Independent Board cannot give assurances that those statements will prove to be correct. Risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements include, without limitation, changes in the economic or political situation in South Africa, changes in the metals and minerals, power and water as well as the oil and gas market sectors in South Africa or worldwide and the performance of (and cost savings realised by) the Company. Although Murray & Roberts and/or the Independent Board believes that the expectations reflected in the forward-looking statements are reasonable, Murray & Roberts Shareholders are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Murray & Roberts and/or the Independent Board, that could cause actual events or results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Murray & Roberts and/or the Independent Board undertake no obligation to update any forward-looking information or statements.

Foreign shareholders

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations in South Africa, including but not limited to the Companies Act and the Companies Regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa. The ATON Mandatory Offer contemplated in this Circular is also governed by the laws of South Africa and is subject to any applicable laws and regulations of South Africa, including but not limited to the Companies Act and the Companies Regulations.

The release, publication or distribution of this Circular in certain jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. It is the responsibility of the non-resident shareholder to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the ATON Mandatory Offer, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any transfers or other taxes or other requisite payments due to such jurisdiction.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which such an invitation, offer or solicitation would be unlawful. This Circular does not constitute a prospectus or a prospectus equivalent document. Shareholders are advised to read this Circular, which contains the full response of the Murray & Roberts Independent Board to the ATON Mandatory Offer, with care. Any decision to accept the ATON Mandatory Offer or any other response to the proposals should be made only on the basis of the information in this Circular, the ATON Mandatory Offer Circular and the information published on SENS by ATON and Murray & Roberts relating to the ATON Mandatory Offer.

Any Murray & Roberts Shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

LETTER TO MURRAY & ROBERTS SHAREHOLDERS FROM THE CHAIRMAN OF THE INDEPENDENT BOARD

Monday, 2 July 2018

The Shareholders of Murray & Roberts Holdings Limited

Dear Shareholder,

The Independent Board recommends that Murray & Roberts Shareholders should take no action at this stage in connection with the ATON Mandatory Offer.

The Independent Board has assessed the ATON Mandatory Offer in conjunction with its advisers and obtained an updated opinion. The Updated Independent Expert Opinion on the ATON Mandatory Offer maintains that the offer is not fair but reasonable.

Having had reference to the Updated Independent Expert Opinion, the Independent Board's view is that the fair value price range for control of Murray & Roberts is between ZAR20,00 to ZAR22,00 per Murray & Roberts Share and therefore remains unchanged.

ATON's increased cash offer price of ZAR17,00 per Murray & Roberts Share remains below the Independent Board's fair value price range for control and is also below the trading price of Murray & Roberts Shares on the JSE on the Last Practicable Date, which closed at ZAR17,53 and has traded as high as ZAR19,19 per Murray & Roberts Share on Monday, 4 June 2018.

The Independent Board notes that ATON is obliged to follow through on its offer to acquire control of Murray & Roberts by way of the ATON Mandatory Offer, unless the offer fails due to non-fulfilment of a condition precedent.

Accordingly, the Independent Board continues to advise Murray & Roberts Shareholders that they have time to evaluate the ATON Mandatory Offer and therefore are not required to take action in relation to the ATON Mandatory Offer at this stage.

In the event that the ATON Mandatory Offer is declared unconditional in all respects, ATON is required to release an announcement on SENS. Murray & Roberts Shareholders will still have 10 Business Days from the date of such announcement to decide whether to accept ATON's Mandatory Offer, on the terms offered by ATON at that time.

Shareholders wishing to sell their shareholding in the Company are currently able to do so on the open market at a higher price than the Increased Offer Price.

The views of the Independent Board are set out below:

1. IMPORTANT MATTERS IN RELATION TO THE ATON MANDATORY OFFER

1.1 Increased Offer Price and further guidance for Murray & Roberts Shareholders

The Independent Board notes ATON's Increased Offer Price of ZAR17,00 per Murray & Roberts Share. Shareholders are reminded that ATON strongly advocated for a period of eight weeks that the original offer price of ZAR15,00 per Murray & Roberts Share represented full value for control of the Company. The Voluntary Offer was, however, not declared unconditional as to acceptances at the minimum shareholding threshold of 50% plus one Murray & Roberts ordinary share, prior to it being withdrawn. ATON has subsequently issued the ATON Mandatory Offer at the Increased Offer Price.

The Increased Offer Price remains below the Independent Board's fair value price range for control of ZAR20,00 to ZAR22,00 per Murray & Roberts Share. The Independent Board therefore continues to be of the view that the ATON Mandatory Offer undervalues the strategic platforms and business prospects of Murray & Roberts. The Independent Board does not recommend that Murray & Roberts Shareholders accept the ATON Mandatory Offer.

The Independent Board notes that ATON is obliged to follow through on its offer to acquire control of Murray & Roberts by way of the ATON Mandatory Offer, unless the offer fails due to non-fulfilment of a condition precedent.

Accordingly, the Independent Board continues to advise Murray & Roberts Shareholders that they have time to evaluate the ATON Mandatory Offer and assess the actions to be taken by ATON from here. Shareholders are not required to take any decisions at this time.

In the event that the ATON Mandatory Offer is declared unconditional in all respects, ATON is required to release an announcement on SENS. Murray & Roberts Shareholders would then have 10 Business Days from the date of such announcement to decide on the ATON Mandatory Offer on the terms offered by ATON at that time.

The Independent Board will continue to assess ATON's progress in implementing the ATON Mandatory Offer and provide guidance to Murray & Roberts Shareholders as required.

1.2 Matters raised with the TRP

The TSC ruled that ATON should withdraw its Voluntary Offer and replace it with a compliant mandatory offer on the same or similar terms to those contained in the Forward Sale Agreement entered into between ATON and Allan Gray on 29 March 2018. Confirmation that the Voluntary Offer was withdrawn and a process in terms of which withdrawal of prior acceptances by Murray & Roberts Shareholders of the Voluntary Offer will occur is set out in the ATON Mandatory Offer Circular.

The TSC Ruling required ATON to withdraw the Voluntary Offer and make the ATON Mandatory Offer on the same or similar terms as the Forward Sale Agreement.

Confirmation that the Voluntary Offer was withdrawn and a process in terms of which withdrawal of prior acceptances by Murray & Roberts Shareholders of the Voluntary Offer is set out in the ATON Mandatory Offer Circular.

Following the Independent Board's review of the ATON Mandatory Offer, the Independent Board intends to raise certain material concerns with the TRP of non-compliance with the TSC Ruling. The most material of these concerns as it relates to the interests of Murray & Roberts Shareholders are as follows:

1.2.1 Preferential treatment of Shareholders

Shareholders are reminded that ATON offered Allan Gray an upward price adjustment on any Murray & Roberts Shares sold to ATON by Allan Gray under the Forward Sale Agreement. In terms of the upward price adjustment provisions, in the event that ATON increased the offer price above ZAR15,00, ATON would be obliged to pay Allan Gray the difference between the increased offer price and the price at which ATON acquired shares from Allan Gray under the Forward Sale Agreement. Based on the Increased Offer Price, ATON is currently obliged to pay Allan Gray an additional ZAR2,00 (being the difference between the Increased Offer Price and the original offer price of ZAR15,00) per Murray & Roberts Share for every Murray & Roberts Share sold to ATON. In the event that the Increased Offer Price is increased again, ATON will again need to make an upward adjustment in the price it paid to Allan Gray.

In terms of the TSC Ruling, the upward price adjustment should be afforded to every Murray & Roberts Shareholder that sold their Murray & Roberts Shares to ATON at less than the Increased Offer Price since the date ATON acquired more than 35% of the Murray & Roberts Shares under the Forward Sale Agreement (i.e. 11 April 2018).

Notwithstanding the TSC Ruling, ATON has not publicly extended the upward price adjustment to persons who have sold their Murray & Roberts Shares to ATON in the period between 11 April 2018 and 5 June 2018, as would have been required if the ATON Mandatory Offer was extended to all Murray & Roberts Shareholders, as indeed it should have been under the TSC Ruling.

1.2.2 Conditions under the control of ATON

The ATON Mandatory Offer remains subject to certain conditions, the fulfilment of which are under the control of ATON. This includes, amongst others, ATON's right to accept any conditions attaching to a merger clearance or approval in South Africa and other jurisdictions.

Shareholders are advised that it is not possible to accurately predict the timeline for completion of the regulatory approval process, which may be protracted, especially in the instance where any or all of the filings are contested. If a condition is not acceptable to ATON for any reason whatsoever, the approval process may be further delayed, while ATON seeks an amendment to or the removal of an unsatisfactory condition. The implication of this is that there may be a significant delay to the timetable as set out by ATON. During this time, ATON makes no provision for an escalation of the ATON Mandatory Offer Consideration. The ATON Mandatory Offer Circular specifies that any extension of dates will be applied in accordance with the requirements of the TRP and other applicable laws.

2. RATIONALE

The Independent Board refers to the rationale provided by ATON for considering the ATON Mandatory Offer. The Independent Board notes that its views on the rationale provided by ATON in its Voluntary Offer Circular have not been taken into account in the ATON Mandatory Offer Circular and hence the Independent Board's critique of ATON's rationale remains unchanged.

The Independent Board continues to disagree with ATON's views on the benefits for the Company and South Africa in a number of material respects, specifically:

2.1 Underground Mining

- As stated in the Company's interim financial results presentation, the Underground Mining platform reported strong performance with growth in its order book, revenue and operating profit compared to the previous comparable period. The Underground Mining platform also achieved significant improvement in operating margin. All of the global operating regions, including Africa, Australasia and the Americas contributed towards this significant improvement.
- The recent improvement in commodity prices and increased investment activity by the Company's mining clients will further support the near-term prospects of the business. The Company is well-positioned to secure new opportunities that would significantly increase the order book in the near term. These opportunities could potentially be jeopardised by the ATON Mandatory Offer.

- The combination of the Murray & Roberts Underground Mining platform and ATON's Redpath presents limited strategic rationale at the current time and, if implemented would have to be accomplished post the ATON Mandatory Offer. Exploratory discussions between Murray & Roberts and ATON during 2015 in relation to a combination of Redpath and the Underground Mining platform ceased because Murray & Roberts could not reach agreement with ATON regarding the proposed transaction structure and relative value. It is the view of the Independent Board that combining these businesses would not yield significant benefits to the Company.

2.2 Oil & Gas

- Muted activity in the oil and gas sector since the collapse of the oil price in late 2014, has had a negative impact on the revenue growth of the Oil & Gas platform. However, the Company has managed to maintain good profitability in a challenging and competitive environment.
- Brownfield operations and maintenance opportunities are expected to be the main source of earnings from the Oil & Gas sector for the Australian region until about 2021. New greenfield opportunities are expected to be in Papua New Guinea as energy producers are making progress with new liquefied natural gas facilities.
- Complementary markets previously serviced by Clough Limited, a Murray & Roberts' subsidiary incorporated in Australia, such as the mining and infrastructure markets in Australia present significant near-term opportunities.
- Murray & Roberts is currently expanding its international operations with a planned acquisition in the USA.

2.3 Power & Water

- The power sector in South Africa presents few new opportunities, with the Power & Water platform in this sector underpinned by the Kusile and Medupi projects.
- There are an increasing number of new opportunities in the water treatment sector in South Africa with this segment yet to achieve scale. It will in time materially contribute to Murray & Roberts' earnings.
- The Power & Water platform is continuously looking to replenish its order book with particular focus on prospects in complementary markets such as mining, pulp and paper, chemicals, and energy in sub-Saharan Africa.

2.4 Capital allocation and non-core assets

- The Company adopts a disciplined approach to capital allocation focused on generating returns for the Company's Shareholders both in the short and long term.
- In 2017, the short-term capital allocation strategy for the Company involved increasing its shareholding in BCC to 50% and in the absence of other return enhancing opportunities at that time, sought to return capital to Shareholders via a share repurchase programme.
- Murray & Roberts is currently in the process of pursuing both organic and acquisition opportunities, which the Board believes will add significant value. The Board will continue to adopt a disciplined and deliberate approach when evaluating these initiatives.
- It is unclear which of Murray & Roberts' businesses or markets would be identified by ATON as non-core. With respect to BCC, the Independent Board believes that the annuity income provided by the additional investment creates a value underpin in a cyclical operating environment.
- The Independent Board is firmly of the view that a breakup of the Murray & Roberts Group would destroy value and negatively impact employment.

2.5 Management capacity and knowledge transfer

- It is unclear how ATON will add capacity and facilitate skills transfer to the Company's existing operational experience and capabilities, specifically in the Power & Water and the Oil & Gas Platforms.

2.6 Impact of empowerment and employment

- Murray & Roberts is an accredited Level 4 B-BBEE Contributor with economic interest ownership by existing Murray & Roberts B-BBEE shareholders and black women of approximately 54,7% and 18,9% respectively. The Company is committed to a number of B-BBEE initiatives in South Africa.
- The Company's support for B-BBEE programmes and the promotion of social and economic development of previously disadvantaged communities and individuals is important in the context of the Company's underground mining operations in South Africa.
- The ATON Mandatory Offer Circular fails to address an approach to implementation of B-BBEE in any form. The Independent Board notes with concern the significant risk of dilution of the Company's B-BBEE ownership profile on a flow through basis, with the possibility of severe implications for the Company's current mining contracts, and its ability to secure future mining contracts in South Africa.

- Murray & Roberts is a significant employer in South Africa, with approximately 10 700 employees. A major concern of the Independent Board is that the ATON Mandatory Offer could negatively impact material contracts of the Company resulting in job losses.

3. ENGAGEMENT WITH ATON

The Independent Board has on a number of occasions attempted to engage ATON with a view to determining whether there is common ground on which the Independent Board would consider cooperating with ATON in implementing the ATON Mandatory Offer. An offer price that is well below the fair value price range remains one of the key reasons why the Independent Board is not prepared to cooperate with ATON on the implementation of the ATON Mandatory Offer at this stage.

The Independent Board has been consistent and clear regarding an appropriate fair value price range for control of Murray & Roberts. The Independent Board's stance on the ATON Mandatory Offer is unlikely to change if it remains unconvinced that all Shareholders in the Company will receive fair value for their Murray & Roberts Shares.

The Independent Board remains committed to looking after the interests of all Murray & Roberts Shareholders and will continue to act and advise Shareholders accordingly.

Yours sincerely

Suresh P Kana

Chairman of the Independent Board

ACTION REQUIRED BY MURRAY & ROBERTS SHAREHOLDERS

The Independent Board does not recommend that Murray & Roberts Shareholders accept the ATON Mandatory Offer and advise that Murray & Roberts Shareholders are not required to take action with regard to the ATON Mandatory Offer at this stage.

Please take careful note of the following provisions regarding the action required by Murray & Roberts Shareholders:

1. If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.
2. If you have disposed of all of your Murray & Roberts Shares, this Circular should be handed to the purchaser of such Murray & Roberts Shares or to the Broker, CSDP, banker, attorney or other agent through whom the disposal was effected.
3. The options available to you are:
 - to not take any action at this stage with regard to the ATON Mandatory Offer;
 - to accept the ATON Mandatory Offer in respect of all or any of your Murray & Roberts Shares; or
 - to dispose of your Murray & Roberts Shares on the JSE.

If you wish to reject the ATON Mandatory Offer, you do not need to take any further action.

If you wish to accept the ATON Mandatory Offer, you must do so in the manner described in the ATON Mandatory Offer Circular.

Prior to accepting the ATON Mandatory Offer it is strongly recommended that Shareholders check the trading price of Murray & Roberts Shares on the JSE as Shareholders could receive a higher net amount for Murray & Roberts Shares by disposing of them on-market.

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IMPORTANT DATES AND TIMES OF THE ATON MANDATORY OFFER

The Independent Board does not recommend that Murray & Roberts Shareholders accept the ATON Mandatory Offer and therefore Murray & Roberts Shareholders are not required to take action with regard to the ATON Mandatory Offer at this stage.

The important dates and times of the ATON Mandatory Offer are set out in the ATON Mandatory Offer Circular.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures attached hereto, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, words importing one gender include the other genders and references to a natural person include references to a juristic person and *vice versa*:

| | |
|---|---|
| “Affiliate” | in relation to a person, any other person that is a related person to such person (as determined in accordance with section 2 of the Companies Act); |
| “Allan Gray” | Allan Gray Proprietary Limited (Registration number 2005/002576/07), a private company incorporated in accordance with the laws of South Africa with its registered address at 1 Silo Square, V&A Waterfront, Cape Town, 8001, South Africa; |
| “ATON” | ATON GmbH, (Registration number HRB 193331 with the commercial register at the local court of Munich) a limited liability company incorporated in Munich, Germany, acting through its wholly-owned subsidiary ATON AT; |
| “ATON AT” | ATON Austria Holding GmbH, (Registration number FN 444911 g with the commercial register at the regional court of Innsbruck), a limited liability company incorporated in Going am Wilden Kaiser, Austria, and a wholly owned subsidiary and Affiliate of ATON; |
| “ATON Mandatory Offer” | the Mandatory Offer by ATON in terms of section 123 of the Companies Act to acquire all or a portion of the Murray & Roberts Shares held by Murray & Roberts Shareholders, other than ATON or its Affiliates, as detailed in the ATON Mandatory Offer Circular; |
| “ATON Mandatory Offer Circular” | the bound document dated Monday, 4 June 2018, posted to Murray & Roberts Shareholders by ATON, including its annexures and attachments; |
| “ATON Mandatory Offer Consideration” | ZAR17,00 per Murray & Roberts Share subject to paragraph 3.9 of the ATON Mandatory Offer Circular; |
| “ATON Mandatory Offer Period” | the offer period stipulated in the ATON Mandatory Offer Circular, being the period from 09:00 on the Opening Date to 12:00 on the Closing Date, both days inclusive (which period may be extended by ATON); |
| “B-BBEE” | Broad-Based Black Economic Empowerment Codes of Good Practice in terms of the B-BBEE Act, 2013 amended from time to time; |
| “BCC” | Bombela Concession Company (RF) Proprietary Limited (Registration number 2005/031316/07), a private company incorporated and registered in South Africa; |
| “Board” or “Directors” | the board of directors of Murray & Roberts, as constituted from time to time; |
| “Broker” | any person registered as a “broking member (equities)” in terms of the rules and related legislation of the JSE made in accordance with the provisions of the Financial Markets Act; |
| “Business Day” | any day other than a Saturday, Sunday or official public holiday in South Africa; |
| “Certificated Murray & Roberts Share(s)” | Murray & Roberts share(s), represented by a share certificate(s) or other physical document(s) of title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate; |
| “Certificated Murray & Roberts Shareholder(s)” | Murray & Roberts shareholder(s) holding certificated Murray & Roberts Shares; |
| “Circular” | this response circular dated Monday, 2 July 2018, including all annexures attached hereto, distributed to Murray & Roberts Shareholders recorded in the register of Murray & Roberts Shareholders on Friday, 22 June 2018, being the notice record date; |

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|---|--|
| “Closing Date” | the date on which the ATON Mandatory Offer will close, being the last date on which Offerees will be able to accept the ATON Mandatory Offer, which date shall be the 10th Business Day after the ATON Mandatory Offer is announced as being unconditional in all respects, or, if such date does not fall on a Friday, the Friday immediately following the expiry of that 10-day period (unless that Friday is a statutory holiday in South Africa, in which case the Closing Date will be the Business Day immediately prior to that Friday); |
| “Companies Act” | the Companies Act, No. 71 of 2008, as amended; |
| “Companies Regulations” | the Companies Regulations, 2011, in terms of the Companies Act, as amended; |
| “Competition Authorities” | the Competition Commission of South Africa and/or the Competition Tribunal of South Africa and/or the Competition Appeal Court of South Africa, being regulatory and / or judicial authorities established in the Competition Act, No. 89 of 1998, as amended; |
| “Conditions” | the conditions to which the ATON Mandatory Offer is subject to as stipulated in paragraph 3.2.1 of the ATON Mandatory Offer Circular; |
| “CSD” | a central securities depository, as defined in section 1 of the Financial Markets Act; |
| “CSDP” | a Central Securities Depository Participant (being a “participant” as defined in section 1 of the Financial Markets Act), appointed by individual Murray & Roberts Shareholder(s) for the purpose of, and with regard to, Dematerialisation, in terms of the Financial Markets Act; |
| “Custody Agreement” | the agreement that regulates the relationship between the CSDP or Broker and each Murray & Roberts Shareholder that has elected to have such Murray & Roberts Shares held by the CSDP or Broker as their nominee; |
| “Dematerialisation” | the process by which Murray & Roberts Share(s) held by certificated Murray & Roberts Shareholder(s) are converted or held in electronic form as Dematerialised Murray & Roberts Share(s) and recorded in the sub-register; |
| “Dematerialised Murray & Roberts Share(s)” | Murray & Roberts Share(s) which have been Dematerialised through a CSDP or Broker and are held on the sub-register and are no longer evidenced by a share certificate or a document(s) of title; |
| “Dematerialised Murray & Roberts Shareholder(s)” | those Murray & Roberts Shareholder(s) that have Dematerialised their Murray & Roberts Share(s) through a CSDP; |
| “Deutsche Bank” | Deutsche Securities (SA) Proprietary Limited (Registration number 1995/011798/07), a private company incorporated and registered in South Africa and a non-Bank member of the Deutsche Bank Group, the Financial Adviser to Murray & Roberts; |
| “Firm Intention Announcement” | the announcement by ATON setting out the terms of its firm intention to make the ATON Mandatory Offer, as released on SENS on Monday, 28 May 2018; |
| “Financial Markets Act” | the South African Financial Markets Act, No. 19 of 2012, as amended; |
| “Forward Sale Agreement” | the forward sale agreement entered into among ATON, ATON AT and Allan Gray (Allan Gray acting not as principal but on behalf of its clients, which clients are the beneficial and/or registered owners of the Murray & Roberts Shares), dated Thursday, 29 March 2018, in terms of which, among other things, Allan Gray agreed to sell to ATON AT, and ATON AT agreed to purchase from Allan Gray, 29,005,926 Murray & Roberts Shares as more fully described in paragraph 18.4 of the ATON Mandatory Offer Circular; |
| “Increased Offer Price” | ATON’s increased cash offer price of ZAR17,00 per Murray & Roberts Share; |
| “Independent Board” | the members of the Independent Board of Murray & Roberts established by the Board in accordance with Regulation 108(8) of the Companies Regulations for purposes of considering the ATON Mandatory Offer, comprising at the date of this Circular the persons reflected on page 14 of this Circular; |

| | |
|--|--|
| “Independent Expert” or “BDO Corporate Finance” | BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a private company incorporated and registered in South Africa, being the independent expert as described in section 114(2) of the Companies Act, appointed by the Independent Board in terms of Companies Regulation 110(1); |
| “Independent Expert Opinion on the Voluntary Offer” | the opinion provided to the Independent Board by the Independent Expert on the Voluntary Offer dated 20 April 2018; |
| “JSE” | the stock exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa, licensed as an exchange under the Financial Markets Act; |
| “JSE Listings Requirements” | the Listings Requirements of the JSE, as amended; |
| “Last Practicable Date” | the last practicable date prior to the finalisation of this Circular, being Wednesday, 27 June 2018; |
| “Legal Adviser” or “Webber Wentzel” | Webber Wentzel, the legal adviser to Murray & Roberts; |
| “Long Stop Date” | Sunday, 31 March 2019, as may be extended pursuant to paragraph 3.2.2 of the ATON Mandatory Offer Circular; |
| “Murray & Roberts” or “the Company” | Murray & Roberts Holdings Limited (Registration number 1948/029826/06), a public company incorporated and registered in South Africa, and listed on the JSE; |
| “Murray & Roberts Group” or “Group” | Murray & Roberts and its subsidiaries; |
| “Murray & Roberts Share(s)” or “Shares” | ordinary shares with no par value in the authorised and issued share capital of Murray & Roberts; |
| “Murray & Roberts Shareholder(s)” | collectively, Certificated Murray & Roberts Shareholder(s), Dematerialised Murray & Roberts Shareholder(s) and own-name Dematerialised Murray & Roberts Shareholder(s); |
| “NDA” | the confidentiality and non-disclosure agreement which Murray & Roberts and ATON entered into on or about 17 March 2016 in connection with a proposed transaction between Murray & Roberts and ATON; |
| “Offeree” | a Murray & Roberts Shareholder to whom the ATON Mandatory Offer is made and who may accept the ATON Mandatory Offer, being a person (other than ATON or ATON AT), who is a Certificated Shareholder or a Dematerialised Shareholder on the Record Date; |
| “Offer Payment Period” | in relation to a Murray & Roberts Shareholder, a period of six Business Days after: <ul style="list-style-type: none"> • the ATON Mandatory Offer being declared unconditional in all respects as contemplated by Companies Regulation 102(12)(a) of the Companies Regulations; and • acceptance of the ATON Mandatory Offer by such Murray & Roberts Shareholder; |
| “Offer Shares” | all of Murray & Roberts Shares held by the Offerees; |
| “Opening Date” | the date on which the ATON Mandatory Offer opened, as set out in the ATON Mandatory Offer Circular, being Tuesday, 5 June 2018; |
| “Own-name Dematerialised Murray & Roberts Shareholder(s)” | those Murray & Roberts shareholder(s) that have dematerialised their Murray & Roberts Share(s) through a CSDP and have instructed the CSDP to hold their Share(s) in their own name on the sub-register; |
| “Rand” or “ZAR” or “cents” | South African Rand or cents, the official currency of South Africa; |
| “Record Date” | the record date specified in the ATON Mandatory Offer Circular, being 12:00 on the Closing Date; |

| | |
|---|---|
| “Redpath” | Redpath Mining Inc., formerly J.S. Redpath Holding Inc., a corporation established in accordance with the laws of Canada, and an indirect, wholly-owned subsidiary of ATON; |
| “Register” | the securities register of Murray & Roberts Shareholders maintained by the Company in accordance with sections 50(1) and 50(3) of the Companies Act, including the uncertificated securities register; |
| “SENS” | the Stock Exchange News Service of the JSE; |
| “South Africa” | the Republic of South Africa; |
| “Sponsor” | Deutsche Securities (SA) Proprietary Limited (Registration number 1995/011798/07), a private company incorporated and registered in South Africa, a non-bank member of the Deutsche Bank Group, and the Sponsor to Murray & Roberts; |
| “Strate” | the share settlement and clearing system utilised by the JSE for all share transactions concluded on the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in South Africa; |
| “Transfer Secretaries” or “Link Market Services” | Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated and registered in South Africa and the transfer secretaries to Murray & Roberts; |
| “TRP” | the Takeover Regulation Panel established in terms of section 196 of the Companies Act; |
| “TSC” | the Takeover Special Committee, a committee of the TRP, established in terms of section 202 of the Companies Act; |
| “TSC Ruling” | the ruling handed down by the TSC on Friday, 25 May 2018; |
| “Uncertificated Securities Register” | the uncertificated securities register of Murray & Roberts Shareholders maintained by a CSDP or CSD in accordance with the requirements of section 50(3) of the Companies Act; |
| “Updated Independent Expert Opinion” | the opinion provided to the Independent Board by the Independent Expert on the ATON Mandatory Offer dated Monday, 2 July 2018; |
| “Voluntary Offer” | the voluntary general offer made by ATON, through its nominated wholly-owned subsidiary ATON AT, to the Murray & Roberts Shareholders other than ATON or ATON’s Affiliates, to acquire all or a portion of the Murray & Roberts Shares held by Murray & Roberts Shareholders, other than ATON or its Affiliates, as detailed in the Voluntary Offer Circular, and which was withdrawn with effect from the date and time at which the ATON Mandatory Offer opened being at 09:00 on Tuesday, 5 June 2018; and |
| “Voluntary Offer Circular” | the document pursuant to which ATON, through its nominated wholly-owned subsidiary ATON AT, made the Voluntary Offer to the Murray & Roberts Shareholders other than ATON or ATON’s Affiliates, to acquire all or a portion of the Murray & Roberts Shares held by Murray & Roberts Shareholders, other than ATON or its Affiliates, which document was issued on 9 April 2018. |



Murray & Roberts Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1948/029826/06)

JSE code: MUR

ADR code: MURZY

ISIN: ZAE000073441

Independent Board

Suresh P Kana (Chairman)

Ralph Havenstein

Alex Maditsi

Diane Radley

RESPONSE CIRCULAR TO MURRAY & ROBERTS SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

Shareholders are referred to the announcement released on SENS by ATON on Tuesday, 5 June 2018 regarding the formal withdrawal of ATON's Voluntary Offer and the posting of the ATON Mandatory Offer Circular, setting out the terms of the ATON Mandatory Offer at an increased offer consideration of ZAR17,00 per Murray & Roberts Share. In addition, Murray & Roberts Shareholders are referred to the announcement by the Independent Board released on SENS on Monday, 18 June 2018 regarding the receipt of the Updated Independent Expert Opinion and providing further guidance for Murray & Roberts Shareholders in relation to the ATON Mandatory Offer.

The ATON Mandatory Offer is classified as an affected transaction as defined in section 117 of the Companies Act and as such is regulated by that Act, the Companies Regulations and the JSE Listings Requirements.

In accordance with the requirements of the Companies Act, the Board of Murray & Roberts has constituted an Independent Board comprising the following independent non-executive directors:

- Suresh P Kana (Chairman);
- Ralph Havenstein;
- Alex Maditsi; and
- Diane Radley.

Accordingly, the purpose of this Circular is to provide Murray & Roberts Shareholders with:

- the opinion of the Independent Expert, BDO Corporate Finance, who is of the opinion that the ATON Mandatory Offer is not fair but reasonable;
- the Independent Board's advice is, that they have time to evaluate the ATON Mandatory Offer and therefore are not required to take action in relation to the ATON Mandatory Offer at this stage; and
- comment on certain statements contained in the ATON Mandatory Offer Circular which the Independent Board believes require clarification following consultation with Murray & Roberts management.

The terms of the ATON Mandatory Offer are set out in the ATON Mandatory Offer Circular.

2. UPDATED INDEPENDENT EXPERT OPINION

The Independent Expert has, in accordance with Regulation 90 of the Companies Regulations, performed a valuation of the Offer Shares and provided its opinion to the Independent Board.

Taking into consideration the terms and conditions of the ATON Mandatory Offer and based on the results of the procedures performed, detailed valuation work and other considerations, as set forth in the opinion of the Independent Expert, the Independent Expert is of the opinion that the ATON Mandatory Offer Consideration is not fair but reasonable to Murray & Roberts Shareholders. The Updated Independent Expert Opinion is included in Annexure 1 to this Circular.

3. INDEPENDENT BOARD'S OPINION AND RECOMMENDATION REGARDING THE ATON MANDATORY OFFER

Following the Independent Board's review of the ATON Mandatory Offer Circular, the Independent Board hereby provides its views and further guidance to Murray & Roberts Shareholders:

- the ATON Mandatory Offer has been made at an increased cash offer price of ZAR17,00 per Murray & Roberts Share. The Independent Board remains of the view that ATON is resolved to implementing the transaction on a contested basis. This is evidenced by the Increased Offer Price and proposed revised terms as presented in the ATON Mandatory Offer Circular, despite ATON strongly advocating for eight weeks that an offer price of ZAR15,00 per Murray & Roberts Share represented full value for the Company;
- having assessed the Updated Independent Expert Opinion, the Independent Board's view remains unchanged that the fair value price range for control of Murray & Roberts is between ZAR20,00 to ZAR22,00 per Murray & Roberts Share;
- the ATON Mandatory Offer Consideration of ZAR17,00 per Murray & Roberts Share remains below the Independent Board's fair value price range for control of Murray & Roberts and is also below the trading price of Murray & Roberts Shares on the JSE as at the Last Practicable Date, which closed at ZAR17,53 per Murray & Roberts share and has traded as high as ZAR19,19 per Murray & Roberts Share on Monday, 4 June 2018;
- the rationale presented by ATON for the Company and South Africa has remained unchanged and is weak in a number of material respects;
- the Independent Board is of the view that the prospects of ATON successfully delisting Murray & Roberts are very low;
- scenarios where (i) ATON accretes its shareholding but does not delist Murray & Roberts or (ii) ATON gradually increases its shareholding and attempts to delist the Company, present risks to Murray & Roberts Shareholders, including conflicts of interest, strategic misalignment and reduced strategic flexibility, and potentially casts the Company into a protracted period of uncertainty; and
- it is not clear how ATON proposes to manage the dilution of Murray & Roberts' B-BBEE ownership credentials and the potential resultant impact on material contracts and employment in South Africa.

A number of Group companies have banking facilities which require them to (i) notify the relevant funders of the ATON Mandatory Offer or a change of control pursuant to the ATON Mandatory Offer (including indirect changes of control), and/or (ii) obtain consent from the relevant funders and/or (iii) obtain waivers from the relevant funders, where a change of control entitles the funders to amend the terms of banking facilities or trigger the acceleration of repayment obligations or result in other adverse consequences including the termination of the relevant banking facilities. The relevant Group companies will need to engage with the funders in order to avoid any adverse consequences as a result of the ATON Mandatory Offer.

Certain Group companies have obtained bond and guarantee facilities and the indirect change in shareholding of these companies contemplated under the ATON Mandatory Offer will trigger certain consequences thereunder, including notification requirements and in some instances, the facility provider being entitled to retract the facility or to require cash cover on demand or to refuse to provide further bonds or guarantees thereunder. The relevant Group companies will need to engage with the facility providers.

Various service agreements contain obligations on Murray & Roberts Group companies to maintain minimum B-BBEE ownership credentials. ATON's final shareholding and the resultant reduction in black ownership levels, will affect Murray & Roberts' B-BBEE scorecard level. If a Group company is unable to meet the agreed B-BBEE ownership levels, the counterparties to such agreements may be entitled to levy penalties against Group companies and/or terminate the relevant agreement.

The Independent Board has not received any other offers during the Offer Period or within the six months prior to the Offer Period.

Other than as set out in this Circular, the Independent Board is not aware of any factors that are difficult to quantify, or are unquantifiable.

Accordingly, the Independent Board does not recommend that Murray & Roberts Shareholders do not accept the ATON Mandatory Offer.

No action should be taken by Murray & Roberts Shareholders in connection with the ATON Mandatory Offer at this stage.

4. COMMENT ON CERTAIN STATEMENTS CONTAINED IN THE ATON MANDATORY OFFER CIRCULAR

In accordance with Regulation 106(7)(b) of the Companies Regulations, the Independent Board believes that certain statements contained in the ATON Mandatory Offer Circular, detailed below, require comment by the Independent Board to ensure that Murray & Roberts Shareholders are correctly informed regarding these matters.

4.1 Terms of the Forward Sale Agreement not correctly extended

The Independent Board is of the view that the ATON Mandatory Offer does not fully address the intention of the TSC Ruling in relation to the Forward Sale Agreement and does not comply therewith.

The following is an extract from paragraph 3.9.2 of the ATON Mandatory Offer Circular regarding the Forward Sale Agreement:

*"If ATON AT acquires any additional M&R Shares during the course of the Offer at a price higher than R17,00, then in terms of Regulation 11(6) of the Takeover Regulations, ATON will be obliged to increase the Offer Consideration to not less than the highest consideration per M&R Share so acquired ("**Consideration Top-up**"), and will do so accordingly. The Consideration Top-up is similar to that applicable to Allan Gray under the Forward Sale Agreement."*

Clause 3.2 of the Forward Sale Agreement provided that:

*"The Parties agree that in the event that ATON increases the offer price pursuant to its Offer to an offer price per M&R share which is higher, or should ATON make an alternative offer at a higher price within the first 90 calendar days after the Offer has opened, (each such price, a **Higher Price**) than the Purchase Price per Sale Share (the **Sale Price**), then ATON AT shall pay Allan Gray's Clients the Rand amount that is equal to the difference between the Higher Price and the Sale Price (such amount the **Increased Consideration**), in respect of each Sale Share that Allan Gray's Clients sold to ATON AT in terms of this [Forward Sale Agreement]."*

The offer price under the Voluntary Offer was ZAR15,00. This was increased during the course of the Voluntary Offer to ZAR17,00 as a result of ATON having purchased shares in the market at a maximum price of ZAR17,00 during the period that the Voluntary Offer was in play. The ATON Mandatory Offer was therefore required to be made at ZAR17,00. In terms of the Forward Sale Agreement, Allan Gray clients became entitled to the Increased Offer Price of ZAR17,00 and would further be entitled to any further increase in the offer price that may be made in the course of the ATON Mandatory Offer, within the time stipulated in the Forward Sale Agreement.

In accordance with the TSC Ruling and the terms of the Forward Sale Agreement, the Consideration Top-up must apply to all Murray & Roberts Shareholders that sold Murray & Roberts Shares to ATON and/or ATON AT during the period from 11 April 2018 (being the date on which ATON and/or ATON AT acquired the prescribed percentage of 35% of the voting rights attached to the Murray & Roberts Shares under the Forward Sale Agreement) until the Opening Date (ie. 5 June 2018) at a price less than ZAR17,00.

The ATON Mandatory Offer Circular is misleading in that it only refers to Murray & Roberts Shares that ATON AT may acquire during the course of the ATON Mandatory Offer at a price higher than R17,00. It does not address the applicability of the Consideration Top-up mechanism to the category of persons referred to in the paragraph above. It is submitted that each person that sold Murray & Roberts Shares to ATON and/or ATON AT between the period from 11 April 2018 until 5 June 2018 at a price less than ZAR17,00 (which was the Increased Offer Price under the Voluntary Offer and is the ATON Mandatory Offer Price) is entitled to receive the difference between the selling price and the ATON Mandatory Offer Price in respect of each Murray & Roberts Share sold, within 6 Business Days of the Closing Date, as is the case under the Forward Sale Agreement.

4.2 Offer Period

ATON proceeded to make a Firm Intention Announcement within 1 Business Day of the TSC Ruling (although this ought to have been made within 1 Business Day of the acquisition of the prescribed percentage of 35% of all the voting rights attached to the Murray & Roberts Shares (which occurred on the settlement date of the acquisition of Murray & Roberts Shares in terms of the Forward Sale Agreement on 11 April 2018). ATON intended the Firm Intention Announcement to serve as the notice required in terms of section 123(3) of the Companies Act and the Firm Intention Announcement to be the announcement contemplated in Regulation 101(1).

The ATON Mandatory Offer Circular defines the offer period as:

"the period from 09:00 on the Opening Date to 12:00 on the Closing Date, both days inclusive (which period may be extended by ATON)"¹

According to the ATON Mandatory Offer Circular, the Opening Date of the ATON Mandatory Offer is Tuesday, 5 June 2018. The Closing Date of the ATON Mandatory Offer Period is *"the date on which the ATON Mandatory Offer will close and which will be the last date on which M&R Shareholders [other than ATON and ATON AT] will be able to accept the ATON Mandatory Offer, which date shall be the 10th Business Day after the ATON Mandatory Offer is announced as being unconditional in all respects, or, if such date does not fall on a Friday, the Friday immediately following the expiry of that 10-day period (unless that Friday is a statutory holiday in South Africa, in which case the Closing Date will be the Business Day immediately prior to that Friday)"*.

The definition of "offer period" in section 117(1)(g) of the Companies Act provides as follows:

"'offer period' means the period from the time when an announcement is made or ought to have been made, of a proposed or possible offer until the first closing date or, if later, the date when the offer becomes or is declared unconditional as to acceptances or lapses."

As stated above and in light of the definition of "offer period" under the Companies Act, the Opening Date of the ATON Mandatory Offer Period should be 11 April 2018 as this was the date on which the ATON Mandatory Offer "ought to have been made", as held by the TSC in the TSC Ruling.

¹ Page 14 of the ATON Mandatory Offer Circular. See also paragraph 3.3.1 on page 24 of the ATON Mandatory Offer Circular.

Furthermore, notwithstanding ATON regarding the Opening Date of the ATON Mandatory Offer as Tuesday, 5 June 2018, ATON has utilised the Murray & Roberts Share price information with reference to the period immediately prior to making the Voluntary Offer² (i.e. as at Thursday, 22 March 2018) and not with reference to the period immediately prior to the date which ATON asserts is the Opening Date of the ATON Mandatory Offer. The Murray & Roberts Share price information set out in the ATON Mandatory Offer Circular is accordingly more than two months out of date. Given the considerable upward movement in the Murray & Roberts Share price since the announcement of the Voluntary Offer, the Independent Board believes that at the very least the ATON Mandatory Offer Circular should have made reference to the Murray & Roberts Share price information as at Thursday, 22 March 2018 and Monday, 4 June 2018 (i.e. a date immediately prior to Tuesday, 5 June 2018 being the date which ATON regards as the Opening Date of the ATON Mandatory Offer).

On ATON's own premises, the presentation of the Murray & Roberts Share price information in the ATON Mandatory Offer Circular with reference to the date of Thursday, 22 March 2018 is inconsistent and incorrect and the share price information should have been presented in the ATON Mandatory Offer Circular with reference to the date which ATON regards as the Opening Date of the ATON Mandatory Offer. In any event, whatever the correct date to be regarded as the Opening Date of the ATON Mandatory Offer, ATON is required to comply with sections 119(1)(b) and 119(2)(d) of the Companies Act and Regulation 111(8). The omission of the up to date share price information reflecting the upward movement in the traded share price of Murray & Roberts Shares from Thursday, 22 March 2018 to levels where it has traded significantly above the level of the increased offer price of ZAR17,00 under the ATON Mandatory Offer (and continues to trade above such levels) is misleading for Murray & Roberts Shareholders.

The Opening Date of 5 June 2018 together with the reference that the Consideration Top-up only applies to a further increase in the Increased Offer Price (as stated in paragraph 3.9.2 of the ATON Mandatory Offer Circular) appears to be an attempt to exclude certain Murray & Roberts Shareholders from the benefit of the Consideration Top-up.

4.3 Conditions of the ATON Mandatory Offer

The ATON Mandatory Offer is subject to a number of suspensive conditions including that merger control clearances or approvals with respect to merger control filings in all relevant jurisdictions having been granted unconditionally, provided that ATON reserves the right to accept any conditions attached to any such merger clearance or approval. ATON's right to accept any such conditions is not qualified by reasonableness. If a condition is not acceptable to ATON (for any reason whatsoever), the approval process may be further delayed while ATON seeks an amendment to or a removal of an unsatisfactory condition.

Shareholders are advised that it is not possible to accurately predict the timeline for completion of the regulatory approval process, which may be protracted, especially in the instance where any or all of the filings are contested. The implication of this is that there may be a significant delay to the timetable as set out by ATON. During this time, ATON makes no provision for an escalation of the ATON Mandatory Offer Consideration.

Murray & Roberts Shareholders are advised that only once ATON has accepted all conditions applicable to merger control clearance or approvals (and the remaining suspensive conditions are fulfilled) will the ATON Mandatory Offer be declared unconditional in all respects and thereafter, ATON is required to release an announcement on SENS.

Murray & Roberts Shareholders then have 10 Business Days from the date of such announcement to make a decision on the ATON Mandatory Offer, on the terms offered by ATON at that time.

4.4 Competition aspects and public interest issues

The Independent Board disagrees with a number of key areas in the ATON Mandatory Offer Circular relating to the competition aspects of the ATON Mandatory Offer. The Independent Board will continue to engage actively with the competition authorities in the relevant jurisdictions on these issues.

The ATON Mandatory Offer Circular states that the implementation of the offer will require notification to and approval by competition authorities in Australia, Namibia, South Africa, the United States and Zambia. ATON then confirms that it has already initiated filings with the competition authorities in South Africa and the United States, and that it is prepared to initiate relevant filings with the competition authorities in Australia, Namibia and Zambia without undue delay. The Independent Board notes that ATON provides no explanation whatsoever for why it has already initiated filings in South Africa and the United States but not in the other jurisdictions in which it believes merger control approval is required. It is therefore unclear when, if ever, ATON will initiate filings with the authorities in the other relevant jurisdictions, given that in its Voluntary Offer Circular, it similarly stated that it was *"prepared to initiate relevant filing with the competition authorities in Australia, South Africa, the United States and Zambia without undue delay"*. The fact that ATON may not have initiated relevant filings with the competition authorities in Australia, Namibia and Zambia may result in further delays in implementing the ATON Mandatory Offer.

In terms of public interest concerns, the proposed transaction will dilute Murray & Roberts' B-BBEE shareholding. Murray & Roberts is an accredited Level 4 B-BBEE contributor with economic interest ownership by existing Murray & Roberts B-BBEE Shareholders and black women of approximately 54,7% and 18,9% respectively. A Level 4 B-BBEE scorecard is the minimum requirement for the majority of contracts in South Africa. Mining contracts in particular require a minimum of 26% effective black economic interest. It is evident from the ATON Mandatory Offer Circular that ATON is entirely uncertain on how to maintain Murray & Roberts' B-BBEE status post implementation of the ATON Mandatory Offer. All that it says in this regard is that it is *"committed to determining appropriate ways to achieve these objectives in relation to B-BBEE"*.

The ATON Mandatory Offer Circular makes no mention of ATON's intentions regarding Murray & Roberts' other business platforms, namely Oil & Gas and Power & Water. Accordingly, Murray & Roberts Shareholders are not in a position to fully assess the competition and public interest benefits or adverse consequences of the implementation of the ATON Mandatory Offer.

ATON has also indicated that while it currently has no specific plans regarding potential divestments of non-core businesses and portfolio investments of Murray & Roberts, it may consider divesting of such businesses and investments in the future. It is the Independent Board's view that any divestment or discontinuation of any businesses which ATON may view as non-core would self-evidently lead to job losses and the exiting of skills and capacity from South Africa, which is contrary to ATON's foreign direct investment commitment.

5. FINANCIAL INFORMATION

5.1 Historical financial information

The audited annual financial statements of Murray & Roberts for the three years ended 30 June 2015, 2016 and 2017 as well as the unaudited interim results for the six months ended 31 December 2017 are set out in Annexure 3 of this Circular.

² Paragraph 3.1.2 on page 23 of the ATON Mandatory Offer Circular.

5.2 *Pro forma* financial information

The ATON Mandatory Offer Consideration is to be settled wholly in cash. Accordingly, the ATON Mandatory Offer will not have any effect on the financial information of Murray & Roberts and therefore the *pro forma* financial information of Murray & Roberts and *pro forma* effects per Share are not required to be disclosed in this Circular.

6. STATEMENT OF DIRECT AND INDIRECT BENEFICIAL INTERESTS IN SECURITIES

6.1 As at the Last Practicable Date, Murray & Roberts held no direct or indirect beneficial interests in ATON.

6.2 As at the Last Practicable Date, the Directors held no direct or indirect beneficial interests in ATON.

6.3 As at the Last Practicable Date, the Directors (current and those who resigned during the last 12 months) held the following direct and indirect beneficial interests in the Company:

| Name of director | Direct beneficial interest | Indirect beneficial interest | Total Interest |
|------------------|----------------------------|------------------------------|----------------|
| DD Barber* | 2 723 | – | 2 723 |
| DF Grobler | 41 569 | 836 567 | 878 136 |
| HJ Laas | 682 627 | 1 862 390 | 2 545 017 |

*DD Barber resigned from the Board on 2 November 2017.

6.4 The Letsema Khanyisa Black Employee Benefits Trust (through Murray & Roberts Letsema Khanyisa Proprietary Limited), Letsema Sizwe Broad-Based Community Trust (through Murray & Roberts Letsema Sizwe Proprietary Limited) and Letsema Vulindlela Black Executives Trust are direct or indirect shareholders in Murray & Roberts. These entities hold in aggregate 31 696 039 Murray & Roberts Shares which equates to 7,1% of the issued share capital of Murray & Roberts.

6.5 These entities give certain B-BBEE related undertakings to Murray & Roberts in terms of the relevant trust deeds, constitutional documents and shareholders agreements. In addition, the disposal of Murray & Roberts Shares by such entities is restricted by 'lock-in periods' and/or undertakings not to dispose of Murray & Roberts Shares until the loan or preference share funding provided to such entities to acquire the Murray & Roberts Shares has been repaid or redeemed.

6.6 The Murray & Roberts Forfeitable Share Plan ("FSP") currently holds 14 252 416 Murray & Roberts Shares which equates to 3,2% of the issued share capital of Murray & Roberts. These Murray & Roberts Shares are held by an escrow agent (for the benefit of participants of the FSP) and may not be disposed of or encumbered prior to an applicable vesting date. Once vesting occurs (based on a participant's achievement of prescribed performance conditions), the relevant portion of Murray & Roberts Shares is transferred by the escrow agent to a participant.

7. DEALINGS IN SECURITIES

7.1 The following dealings in securities of the Company by Directors took place during the period beginning six months before the Offer Period and ending on the Latest Practicable Date:

| Director | Date | Number of shares | Average price | Type of Transaction |
|------------|------------------|------------------|---------------|---|
| DF Grobler | 1 September 2017 | 405 000 | ZAR14,51 | Allocation of forfeitable share plan awards |
| DF Grobler | 1 September 2017 | 54 942 | ZAR15,16 | Forfeitable share plan awards |
| DF Grobler | 1 September 2017 | 25 000 | ZAR15,25 | Vesting of 2014 forfeitable share plan allocations |
| DF Grobler | 1 September 2017 | 35 194 | ZAR15,25 | Vesting of 2014, 2015 and 2016 Deferred STI |
| DF Grobler | 1 September 2017 | 27 988 | ZAR15,09 | Sale of a portion of the vested shares |
| DF Grobler | 1 March 2018 | 17 500 | ZAR11,16 | Vesting of March 2015 forfeitable share plan allocations |
| DF Grobler | 1 March 2018 | 8 137 | ZAR10,84 | Sale of a portion of the vested shares |
| HJ Laas | 1 September 2017 | 864 000 | ZAR14,51 | Allocation of cash settled conditional rights award with a mandatory share purchase |
| HJ Laas | 1 September 2017 | 117 860 | ZAR15,16 | Forfeitable share plan awards |
| HJ Laas | 1 September 2017 | 123 000 | ZAR15,25 | Vesting of 2014 forfeitable share plan allocations |
| HJ Laas | 1 September 2017 | 99 770 | ZAR15,25 | Vesting of 2014, 2015 and 2016 Deferred STI |
| HJ Laas | 1 March 2018 | 61 500 | ZAR11,16 | Vesting of March 2015 forfeitable share plan allocations |

7.2 Except as indicated in paragraph 7.1 above, neither Murray & Roberts, nor any Director, have dealt for value in the Shares or other securities of the Company and/or ATON during the period beginning six months before the Offer Period and ending on the Latest Practicable Date.

7.3 The Directors who hold Shares in the Company intend to reject the ATON Mandatory Offer.

8. SERVICE CONTRACTS

8.1 There are no material provisions of an abnormal nature in respect of the Directors' service contracts which require specific disclosure except that:

8.1.1 the notice periods set out in the service contracts for termination of employment are three months; and

8.1.2 Peter Bennett is employed by an Australian subsidiary of the Company and his employment is in terms of and governed by the laws of Western Australia.

8.2 There are no other particulars of service contracts entered into or amended within six months before the date of the Offer Period.

9. ARRANGEMENTS IN RELATION TO THE ATON MANDATORY OFFER

9.1 On Thursday 29 March 2018, ATON and ATON AT concluded the Forward Sale Agreement, in terms of which Allan Gray has agreed to sell to ATON AT, and ATON AT has agreed to purchase from Allan Gray, 29 005 926 Murray & Roberts Shares at a purchase price of ZAR15,00 per Share. Accordingly, the 29 005 926 Murray & Roberts Shares acquired by ATON AT on the opening date of the Voluntary Offer from Allan Gray pursuant to the Forward Sale Agreement did not form part of the Voluntary Offer, and will also not constitute Offer Shares under the ATON Mandatory Offer.

9.2 The Forward Sale Agreement includes an upward adjustment in the price paid by ATON AT to Allan Gray where ATON AT increases the offer price within 90 days of the opening date of the Voluntary Offer. In such circumstances, ATON AT agreed to pay Allan Gray (and the clients of Allan Gray) the aggregate increased consideration within six Business Days of the Voluntary Offer becoming unconditional. As the ATON Mandatory Offer was extended within the 90 days contemplated under the Forward Sale Agreement, these provisions remain relevant to the ATON Mandatory Offer.

9.3 As at the Last Practicable Date, the only agreement which exists between Murray & Roberts and ATON is an NDA. The obligations set out in the NDA shall continue for a period of three years after the date of disclosure of Confidential Information (as this term is defined under the NDA) notwithstanding the return or destruction of any such information and any copies thereof.

9.4 Other than disclosed in 9.3 above, no agreement exists between:

9.4.1 Murray & Roberts and ATON;

9.4.2 Murray & Roberts and any shareholder of ATON, or any person who was a shareholder of ATON within the 12 months prior to the Last Practicable Date; and

9.4.3 Murray & Roberts and any directors or equivalents of ATON, or any person who was a director or equivalent of ATON within the 12 months prior to the Last Practicable Date,

that could be considered to be material to a decision regarding the ATON Mandatory Offer to be taken by Murray & Roberts Shareholders.

10. RESPONSIBILITY STATEMENT

The Independent Board:

- accepts responsibility for the information contained in this Circular to the extent that it relates to Murray & Roberts;
- states that, to the best of their knowledge and belief, the information contained in this Circular is true; and
- confirms that, to the best of their knowledge and belief, this Circular does not omit anything likely to affect the importance of any information contained in this Circular.

11. MATERIAL CHANGES

Save for the withdrawal of the Voluntary Offer by ATON, as at the Last Practicable Date, there have been no material changes to the terms of the ATON Mandatory Offer as set out in the ATON Mandatory Offer Circular published on Monday, 4 June 2018.

12. GOVERNING LAW

This Circular will be governed by and construed in accordance with the laws of South Africa and shall be subject to the exclusive jurisdiction of the South African courts.

13. CONSENTS

Deutsche Bank, Deutsche Securities, Webber Wentzel, BDO Corporate Finance and Link Market Services have provided their written consents to act in the capacity stated, and to their names being used in this Circular and none of them have withdrawn their consents as at the Last Practicable Date.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by Murray & Roberts Shareholders at the registered address of Murray & Roberts from the date of this Circular to the Closing Date, during normal business hours:

14.1 the written consents of Deutsche Bank, Deutsche Securities, Webber Wentzel, BDO Corporate Finance and Link Market Services to the inclusion of their names in this Circular in the context and form in which they appear;

14.2 audited financial information of Murray & Roberts for the years ended 30 June 2015, 30 June 2016, and 30 June 2017, and the reviewed interim results for the six months ended 31 December 2017;

14.3 the signed Updated Independent Expert Opinion;

14.4 the signed Independent Expert Opinion on the Voluntary Offer;

14.5 the TRP Approval Letter;

14.6 a signed copy of this Circular; and

14.7 the ATON Mandatory Offer Circular.

For and on behalf of the Independent Board

Suresh P Kana

Chairman of the Independent Board

Monday, 2 July 2018

UPDATED OPINION OF THE INDEPENDENT EXPERT TO THE INDEPENDENT BOARD

The Independent Board
Murray & Roberts Holdings Limited
Douglas Roberts Centre
22 Skeen Boulevard
Bedfordview
2007

2 July 2018

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO MURRAY & ROBERTS HOLDINGS LIMITED REGARDING THE MANDATORY OFFER BY ATON GmbH, THROUGH ITS WHOLLY OWNED SUBSIDIARY, TO ACQUIRE ALL OR A PORTION OF THE SHARES IN MURRAY & ROBERTS HOLDINGS LIMITED, NOT ALREADY HELD

INTRODUCTION

Holders of ordinary shares with no par value ("Shares") in the authorised and issued share capital of Murray & Roberts Holdings Limited ("Murray & Roberts", or the "Company") ("Murray & Roberts Shareholders") are referred to the announcement released by ATON GmbH ("ATON") on the Stock Exchange News Service of the JSE Limited ("JSE") ("SENS") on Tuesday, 5 June 2018 regarding the formal withdrawal of ATON's Voluntary Offer, as detailed in the bound document dated Monday, 9 April 2018, posted to Murray & Roberts Shareholders by ATON, including its annexures and attachments in relation to ATON's conditional offer to Murray & Roberts Shareholders ("Voluntary Offer Circular") at a cash offer price of ZAR15,00 per Murray & Roberts Share ("Voluntary Offer Consideration") ("Voluntary Offer") and the posting of the ATON Mandatory Offer circular, being the bound document dated Monday, 4 June 2018, posted to Murray & Roberts Shareholders by ATON, including its annexures and attachments ("ATON Mandatory Offer Circular"), setting out the terms of a mandatory offer to Murray & Roberts Shareholders at an increased offer consideration of ZAR17,00 per Murray & Roberts Share ("ATON Mandatory Offer Consideration"), excluding Murray & Roberts Shares already held by ATON ("Offer Shares") ("ATON Mandatory Offer").

The issue of the ATON Mandatory Offer by ATON follows a ruling by the Takeover Special Committee, established in terms of section 202 of the Companies Act (No.71 of 2008), as amended (the "Companies Act") ("TSC"), a committee of the Takeover Regulation Panel established in terms of section 196 of the Companies Act ("TRP"). The TSC ruled that ATON should withdraw its Voluntary Offer and replace it with a compliant mandatory offer on the same or similar terms to those contained in the forward sale agreement entered into among ATON, ATON Austria Holding GmbH ("ATON AT") and Allan Gray Proprietary Limited ("Allan Gray") (Allan Gray acting not as principal but on behalf of its clients, which clients are the beneficial and/or registered owners of the Shares), dated Thursday, 29 March 2018, in terms of which, among other, Allan Gray agreed to sell to ATON AT, and ATON AT agreed to purchase from Allan Gray, 29 005 926 Shares ("Forward Sale Agreement").

ATON has implemented the ATON Mandatory Offer by way of a mandatory offer directly to Murray & Roberts Shareholders in terms of Parts B and C of Chapter 5 of the Companies Act.

The ATON Mandatory Offer is classified as an affected transaction as defined in section 117 of the Companies Act and as such is regulated by that Act, the Companies Regulations, 2011, in terms of the Companies Act, as amended (the "Companies Regulations") and the Listings Requirements of the JSE, as amended from time to time (the "JSE Listings Requirements").

As at the date of this report, the authorised and issued share capital of the Company comprises the following:

- authorised share capital comprising 750 000 000 Shares; and
- issued share capital comprising 444 736 118 Shares (including treasury shares). Treasury Shares comprise 48 406 723 Shares.

The ATON Mandatory Offer will directly or indirectly affect all Murray & Roberts Shareholders. More information on the material effects that the ATON Mandatory Offer may have on the rights and interests of Murray & Roberts Shareholders is detailed in the circular to Murray & Roberts Shareholders dated Monday, 2 July 2018 ("Circular").

Full details of the ATON Mandatory Offer are set out in the Circular.

As at the last practicable date prior to the finalisation of the Circular, being Wednesday, 27 June 2018 (the "Last Practicable Date"), Murray & Roberts directors ("Directors") held the following direct and indirect beneficial interests in Shares:

| | Number of Murray & Roberts Shares | | Total |
|------------------|-----------------------------------|------------------------------|-----------|
| | Direct beneficial interest | Indirect beneficial interest | |
| Executive | | | |
| DF Grobler | 41 569 | 836 567 | 878 136 |
| HJ Laas | 682 627 | 1 862 390 | 2 545 017 |

FAIR AND REASONABLE OPINION REQUIRED IN TERMS OF THE COMPANIES ACT

The ATON Mandatory Offer is an affected transaction as defined in section 117(1)(c)(vi) of the Companies Act. In terms of section 114(2) of the Companies Act, as read with Regulations 90 and 110 of the Companies Regulations, the independent board of directors of Murray & Roberts constituted in terms of the Companies Regulations (“Independent Board”) is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Companies Act and Regulations 90 and 110 of the Companies Regulations (the “Independent Expert Report”).

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance” or “Independent Expert”) has been appointed as the independent expert by the Independent Board to assess the ATON Mandatory Offer as required in terms of section 114 of the Companies Act and Regulations 90 and 110 of the Companies Regulations. The Independent Expert Report set out herein is provided to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the ATON Mandatory Offer and ATON Mandatory Offer Consideration for the benefit of Murray & Roberts Shareholders.

RESPONSIBILITY

Compliance with the Companies Act and the Companies Regulations is the responsibility of the Independent Board. Our responsibility is to report to the Independent Board on whether the terms and conditions of the ATON Mandatory Offer and the ATON Mandatory Offer Consideration are fair and reasonable to Murray & Roberts Shareholders.

DEFINITION OF THE TERMS “FAIR” AND “REASONABLE” APPLICABLE IN THE CONTEXT OF THE ATON MANDATORY OFFER

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be said to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The ATON Mandatory Offer may be said to be fair to Murray & Roberts Shareholders if the ATON Mandatory Offer Consideration is equal to or greater than the fair value of an Offer Share, or unfair if the ATON Mandatory Offer Consideration is less than the fair value of an Offer Share. Furthermore, in terms of Regulation 110(8) of the Companies Regulations, an offer with a consideration per offeree regulated company security within the fair-value range is generally considered to be fair.

The assessment of reasonableness of the ATON Mandatory Offer is generally based on qualitative considerations surrounding the transaction. Hence, even though the consideration may be lower than the market value, the ATON Mandatory Offer may be considered reasonable after considering other significant qualitative factors. The ATON Mandatory Offer may be said to be reasonable if the ATON Mandatory Offer Consideration is greater than the trading price of a Share as at the time of the ATON Mandatory Offer, or at some other more appropriate identifiable time.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- the terms and conditions of the ATON Mandatory Offer, as set out in the Circular;
- the Firm Intention Announcement by ATON as set out in the SENS announcement dated 26 March 2018;
- the announcement by ATON on withdrawal of the Voluntary Offer and posting of the ATON Mandatory Offer Circular dated 5 June 2018;
- the ATON Mandatory Offer Circular;
- the Independent Board announcement regarding the withdrawal of the Voluntary Offer and posting of a new Mandatory Offer by ATON dated 7 June 2018;
- the annual integrated reports of Murray & Roberts, incorporating the audited annual financial statements, for the years ended June 2016 and 2017;
- the reviewed interim results for the six months ended 31 December 2017;
- management accounts of Murray & Roberts, on a consolidated basis and by division for the period ended 30 April 2018;
- order book and pipeline of Murray & Roberts, on a consolidated basis and by division for the periods ended 30 April 2018 and 31 March 2018 respectively;
- historical and forecast financial information provided by Murray & Roberts management, on a consolidated basis and by division, for the years ending June 2018 to 2023;
- discussions with Murray & Roberts Directors and management regarding the ATON Mandatory Offer;
- discussions with Murray & Roberts Directors and management regarding the historical and forecast financial information of the Company;
- discussions with Murray & Roberts Directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- publicly available information relating to the Mining Services and Oil & Gas Services industries in general; and
- publicly available information relating to Murray & Roberts that we deemed to be relevant, including Company announcements and media articles.

The information above was secured from:

- Murray & Roberts Directors and management; and
- third-party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Murray & Roberts.

PROCEDURES AND CONSIDERATION

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the ATON Mandatory Offer:

- reviewed the terms and conditions of the ATON Mandatory Offer and the rationale therefore as detailed in the ATON Mandatory Offer Circular;
- reviewed the audited and unaudited financial information related to Murray & Roberts, as detailed above;
- reviewed and obtained an understanding from management as to the consolidated and divisional forecast financial information of Murray & Roberts and assessed the achievability thereof by considering historic information as well as macro-economic and sector-specific data;
- performed a “sum of the parts” (“SOTP”) valuation of Murray & Roberts based on a discounted cash flow (“DCF”) valuation of each division;
- performed a sensitivity analysis on key assumptions included in the valuation;
- performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the Mining Services and Oil & Gas Services industries generally;
- assessed the long-term potential of Murray & Roberts and its underlying businesses;
- evaluated the relative risks associated with Murray & Roberts and the Mining Services and Oil & Gas Services industries;
- reviewed certain publicly available information relating to Murray & Roberts and comparable publicly traded companies in the Mining Services and Oil & Gas Services industries that we deemed to be relevant, including company announcements and media articles;
- where relevant, representations made by management and/or Directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the Mining Services and Oil & Gas Services industries, and to analyse external factors that could influence Murray & Roberts and its underlying businesses; and
- held discussions with the Directors and management of Murray & Roberts and their advisers as to their strategy and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- that all agreements that have been entered into in terms of the ATON Mandatory Offer will be legally enforceable against the relevant parties thereto;
- that the ATON Mandatory Offer will have the legal, accounting and taxation consequences described in the Circular and discussions with, and materials furnished to us by representatives and advisers of Murray & Roberts; and
- that reliance can be placed on the financial information of Murray & Roberts.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- placing reliance on audit reports in the financial statements of Murray & Roberts;
- conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- determining the extent to which representations from management were confirmed by documentary and other financial evidence as well as our understanding of Murray & Roberts and the economic environment in which the Company operates.

LIMITING CONDITIONS

The Independent Expert Report is provided in connection with and for the purposes of the ATON Mandatory Offer. This Independent Expert Report does not purport to cater for each individual Murray & Roberts Shareholder’s perspective, but rather that of the general body of Murray & Roberts Shareholders. Should a Murray & Roberts Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

Individual Murray & Roberts Shareholder’s decisions regarding the ATON Mandatory Offer may be influenced by such Murray & Roberts Shareholder’s particular circumstances and accordingly individual Murray & Roberts Shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the ATON Mandatory Offer.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Murray & Roberts and its underlying businesses relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Murray & Roberts will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the ATON Mandatory Offer will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisers of Murray & Roberts and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

INDEPENDENCE, COMPETENCE AND FEES

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in the Offer Shares or the ATON Mandatory Offer, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and 90(3)(a) of the Companies Regulations, that we are independent in relation to the ATON Mandatory Offer and will reasonably be perceived to be independent. We also confirm that we have the necessary competence to provide the Independent Expert Report and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of ZAR950 000 (excluding VAT), in respect of professional services relating to the Voluntary Offer and ATON Mandatory Offer, are not contingent upon the success of the Voluntary Offer nor the ATON Mandatory Offer. Our fees are not payable in shares.

VALUATION APPROACH

BDO Corporate Finance performed a valuation of Murray & Roberts on a SOTP basis to determine whether the ATON Mandatory Offer Consideration is fair.

The valuation was based on the following principal approach:

- Operating divisions, i.e. Underground Mining, Oil & Gas and Power & Water: BDO Corporate Finance compiled forecast free cash flows for the operating divisions by using the historic and forecast financial information as detailed above and allocating head office and administration costs to each operating division. We applied our assumptions of cost of capital to the forecast cash flows to produce a DCF valuation for each operating division; and
- Principal investments, i.e. Bombela Concession Company Proprietary Limited ("BCC"): the 50% interest in BCC was valued based on the net present value of expected dividends over the remaining term of the concession.

BDO Corporate Finance aggregated the valuations of the operating divisions of Murray & Roberts and the fair value of other investments and net cash to determine a SOTP valuation of Murray & Roberts.

Key external value drivers which were considered in assessing the forecast cash flows and risk profile of the operating divisions comprise the Order Book as at 30 April 2018 and pipeline as at 31 March 2018 and movements since that date. The value of the Order Book was considered for each operating division in light of the forecasts as well as in terms of prior years.

Key internal value drivers comprise the discount rate per operating division. A nominal discount rate of 13,69% was determined for Murray & Roberts which was adjusted for the relative risk of the underlying cash flows in respect of each operating division.

In addition, we performed a sensitivity analysis on key assumptions included in the DCF valuations, specifically related to cost of capital and growth in revenue and earnings.

VALUATION RESULTS

In undertaking the valuation exercise above, we determined a valuation range of ZAR20,91 to ZAR22,73 per Offer Share, with a most likely value of ZAR21,79 per Offer Share. The ATON Mandatory Offer Consideration falls below the valuation range.

The valuation range above is provided solely in respect of this Independent Expert Report and should not be used for any other purposes.

REASONABLENESS OF THE ATON MANDATORY OFFER CONSIDERATION AND QUALITATIVE CONSIDERATIONS

The ATON Mandatory Offer Consideration represents a premium of 76,34% to the closing price per Share of ZAR9,64 on the JSE on 23 March 2018, being the last trading day prior to the announcement of the Voluntary Offer, which date is considered the most appropriate identifiable time for the purposes of assessing the reasonableness of the ATON Mandatory Offer.

OPINION

BDO Corporate Finance has considered the terms and conditions of the ATON Mandatory Offer. The ATON Mandatory Offer Consideration represents a premium of 76,34% to the closing price of a Share on the JSE on 23 March 2018 and a discount of 22,00% to the core fair value of ZAR21,79 per Share.

Based upon and subject to the conditions set out herein, BDO Corporate Finance is of the opinion that the terms and conditions of the ATON Mandatory Offer and the ATON Mandatory Offer Consideration are not fair but reasonable.

Our opinion is necessarily based upon the information available to us up to Wednesday, 27 June 2018, including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the ATON Mandatory Offer have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this Independent Expert Report, which we are under no obligation to update, revise or re-affirm.

CONSENT

We hereby consent to the inclusion of this Independent Expert Report, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the ATON Mandatory Offer, in the form and context in which they appear.

Yours faithfully

N Lazanakis

Director

BDO Corporate Finance Proprietary Limited

22 Wellington Road

Parktown, 2193

FINANCIAL INFORMATION OF MURRAY & ROBERTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at

| ZARm | 2015 | 2016 | 2017 | 1H18 |
|---|-----------------|-----------------|-----------------|-----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 3 020,8 | 2 188,8 | 2 057,7 | 1 877,0 |
| Investment property | 17,5 | – | 18,9 | 19,0 |
| Goodwill | 635,8 | 642,4 | 606,9 | 601,0 |
| Other intangible assets | 208,1 | 238,3 | 194,2 | 174,0 |
| Investment in joint venture | 46,0 | – | 73,2 | 73,0 |
| Investment in associate companies | 27,7 | 17,5 | 7,6 | 23,0 |
| Other investments | 710,4 | 812,8 | 895,4 | 1 287,0 |
| Deferred tax assets | 596,3 | 603,9 | 585,2 | 538,0 |
| Amounts due from contract customers | 2 259,5 | 1 513,5 | 542,0 | 513,0 |
| Non-current receivables | 121,4 | 77,3 | 68,3 | 63,0 |
| Total non-current assets | 7 643,5 | 6 094,5 | 5 049,4 | 5 168,0 |
| Current assets | | | | |
| Inventory | 261,2 | 241,3 | 280,1 | 318,0 |
| Amounts due from contract customers | 6 204,1 | 4 964,9 | 4 913,5 | 5 223,0 |
| Trade and other receivables | 1 656,6 | 1 490,8 | 1 167,0 | 939,0 |
| Current taxation assets | 63,2 | 25,5 | 23,4 | 26,0 |
| Derivative financial instruments | 0,1 | – | 2,2 | – |
| Bank balances and cash | 2 890,6 | 2 812,8 | 2 370,6 | 2 264,0 |
| Total current assets | 11 075,8 | 9 535,3 | 8 756,8 | 8 770,0 |
| Assets classified as held for sale | 83,6 | 2 335,1 | 396,8 | 351,0 |
| Total assets | 18 802,9 | 17 964,9 | 14 203,0 | 14 289,0 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Stated capital | 2 585,9 | 2 552,1 | 2 566,1 | 2 576,0 |
| Reserves | 1 343,7 | 1 537,8 | 996,4 | 799,0 |
| Retained earnings | 2 568,5 | 3 111,0 | 2 978,2 | 2 894,0 |
| Equity attributable to owners of Murray & Roberts | 6 498,1 | 7 200,9 | 6 540,7 | 6 269,0 |
| Non-controlling interests | 24,9 | 62,6 | 64,5 | 41,0 |
| Total equity | 6 523,0 | 7 263,5 | 6 605,2 | 6 310,0 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Long-term loans | 1 140,6 | 650,4 | 219,7 | 191,0 |
| Retirement benefit obligations | 16,2 | 16,8 | 17,3 | 16,0 |
| Long-term provisions | 264,3 | 186,6 | 144,7 | 132,0 |
| Deferred taxation liabilities | 133,1 | 178,9 | 121,2 | 68,0 |
| Subcontractor liabilities | 871,8 | – | – | – |
| Non-current payables | 99,8 | 84,7 | 162,0 | 141,0 |
| Total non-current liabilities | 2 525,8 | 1 117,4 | 664,9 | 548,0 |
| Current liabilities | | | | |
| Amounts due to contract customers | 2 121,2 | 1 522,0 | 1 571,2 | 1 625,0 |
| Trade and other payables | 4 355,4 | 4 191,1 | 3 523,0 | 3 211,0 |
| Short term loans | 356,9 | 342,9 | 289,2 | 262,0 |
| Current tax liabilities | 103,0 | 59,7 | 39,2 | 58,0 |
| Provision for obligations | 293,3 | 312,4 | 279,7 | 167,0 |
| Subcontractor liabilities | 2 473,3 | 1 189,9 | 971,5 | 1 467,0 |
| Derivative financial instruments | 2,7 | – | – | – |
| Bank overdraft | 43,9 | 76,0 | 117,5 | 523,0 |
| Total current liabilities | 9 749,7 | 7 694,0 | 6 791,3 | 7 313,0 |
| Liabilities classified as held for sale | 4,4 | 1 890,0 | 141,6 | 118,0 |
| Total equity and liabilities | 18 802,9 | 17 964,9 | 14 203,0 | 14 289,0 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended

| ZARm | 2015 | 2016 | 2017 | 1H18 |
|---|----------|----------|----------|----------|
| Continuing operations | | | | |
| Revenue | 24 013,3 | 26 148,0 | 21 397,3 | 11 809,0 |
| Continuing operations excluding Middle East | 23 072,9 | 24 444,9 | 20 789,6 | 11 462,0 |
| Middle East | 940,4 | 1 703,1 | 607,7 | 347,0 |
| Profit before interest, depreciation and amortisation | 1 539,8 | 1 773,9 | 962,4 | 589,0 |
| Depreciation | (435,9) | (447,8) | (430,9) | (218,0) |
| Amortisation of intangible assets | (40,0) | (50,7) | (44,7) | (22,0) |
| Profit before interest and taxation | 1 063,9 | 1 275,4 | 486,8 | 349,0 |
| Continuing operations excluding Middle East | 1 032,9 | 1 343,2 | 1 055,1 | 416,0 |
| Middle East | 31,0 | (67,8) | (568,3) | (67,0) |
| Net interest expense | (67,5) | (71,2) | (41,7) | (17,0) |
| Profit before taxation | 996,4 | 1 204,2 | 445,1 | 332,0 |
| Taxation expense | (186,5) | (295,8) | (161,2) | (126,0) |
| Profit after taxation | 809,9 | 908,4 | 283,9 | 206,0 |
| Income from equity accounted investments | 3,1 | 17,6 | 7,2 | 15,0 |
| Profit for the year from continuing operations | 813,0 | 926,0 | 291,1 | 221,0 |
| Profit/(loss) from discontinued operations | 81,1 | (136,1) | (252,9) | (114,0) |
| Profit for the year | 894,1 | 789,9 | 38,2 | 107,0 |
| Attributable to: | | | | |
| Owners of Murray& Roberts Holdings Limited | 881,0 | 752,8 | 48,0 | 110,0 |
| Non-controlling interests | 13,1 | 37,1 | (9,8) | (3,0) |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Effects of remeasurements on retirement benefit obligations | (10,3) | (2,9) | (5,0) | – |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating foreign operations and realisation of reserve | 3,6 | 226,4 | (488,6) | (160,0) |
| Effects of cash flow hedges | (1,2) | (0,1) | – | – |
| Reclassification of amounts relating to cash flow hedges | 3,1 | – | – | – |
| Taxation related to effects of cash flow hedges | 1,3 | – | – | – |
| Reclassification adjustment relating to available-for-sale | 1,6 | – | – | – |
| Other comprehensive (loss)/income for the year net of taxation | (1,9) | 223,4 | (493,6) | (160,0) |
| Total comprehensive income/(loss) | 892,2 | 1,013,3 | (455,4) | (53,0) |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of Murray& Roberts Holdings Limited | 879,1 | 975,6 | (421,0) | (50,0) |
| Non-controlling interest | 13,1 | 37,7 | (34,4) | (3,0) |

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended

| ZARm | 2015 ¹ | 2016 | 2017 | 1H18 |
|---|-------------------|----------------|----------------|----------------|
| Cash flows from operating activities | | | | |
| Receipts from customers | 30 668,4 | 30 705,9 | 25 103,5 | |
| Payments to suppliers and employees | (29 602,2) | (29 616,9) | (24 048,3) | |
| Cash generated by operations | 1 066,2 | 1 089,0 | 1 055,2 | 400,0 |
| Interest received | 85,0 | 76,9 | 87,1 | 31,0 |
| Interest paid | (157,5) | (147,8) | (137,5) | (50,0) |
| Taxation paid | (408,0) | (256,2) | (209,6) | (106,0) |
| Dividend paid to owners of Murray & Roberts Holdings Limited | (225,4) | (210,9) | (194,2) | (194,0) |
| Dividend paid to non-controlling interests | (15,5) | – | – | – |
| Net cash inflow from operating activities | 344,8 | 551,0 | 601,0 | 81,0 |
| Cash flows from investing activities | | | | |
| Acquisition of businesses | (162,2) | (21,6) | – | – |
| Dividends received from associate companies | | 17,8 | 19,1 | – |
| Dividends received from joint venture classified as held-for-sale | 35,0 | 2,0 | – | – |
| Purchase of intangible assets other than goodwill | (124,5) | (61,7) | (23,6) | (6,0) |
| Purchase of property, plant and equipment | (228,7) | (338,3) | (264,1) | (82,0) |
| – Replacement | (134,8) | (98,7) | (115,7) | (27,0) |
| – Additions | (289,9) | (332,2) | (395,0) | (151,0) |
| – Capitalised finance leases raised (non-cash) | 196,0 | 92,6 | 246,6 | 96,0 |
| Purchase of PPE by entities classified as held-for-sale | – | – | (53,0) | (1,0) |
| Investment in joint venture | (46,0) | (23,5) | – | – |
| Investment in joint venture held-for-sale | – | – | (2,0) | – |
| Proceeds on disposal of property, plant and equipment | 76,0 | 159,6 | 45,0 | 76,0 |
| Proceeds on disposal of intangible assets other than goodwill | – | – | 7,0 | – |
| Net inflow/(outflow) on disposal of business | – | 15,1 | (322,8) | – |
| Proceeds on disposal of assets held-for-sale | 64,2 | – | 37,0 | – |
| Proceeds on disposal of business | 121,7 | – | – | – |
| Cash related to assets held-for-sale | (3,0) | (257,1) | 259,0 | (26,0) |
| Proceeds from realisation of investment | 132,0 | 53,8 | 170,0 | 106,0 |
| Cash related to acquisition/disposal of business | 17,6 | – | – | – |
| Purchase of additional investment in Bombela Concession Company | – | – | – | (357,0) |
| Other | (2,1) | (3,1) | 1,3 | (2,0) |
| Net cash flows from investing activities | (120,0) | (457,0) | (127,1) | (292,0) |
| Cash flows from financing activities | | | | |
| Net acquisition of treasury shares | (107,4) | (78,0) | (41,0) | (163,0) |
| Net movement in borrowings | (1 392,8) | (466,9) | (660,6) | (37,0) |
| Net cash flows from financing activities | (1 500,2) | (544,9) | (701,6) | (200,0) |
| Net (decrease) in cash and cash equivalents | (1 275,4) | (450,9) | (227,7) | (411,0) |
| Cash and cash equivalents at the beginning of the period | 4 276,6 | 2 846,7 | 2 736,8 | 2 253,0 |
| Effect of exchange rates | (154,5) | 341,0 | (256,0) | (101,0) |
| Cash and cash equivalents at the end of the period | 2 846,7 | 2 736,8 | 2 253,1 | 1 741,0 |

¹ In the 2015 financial year results, the non-cash element of capitalised finance leases was in error included under investing cash flows as purchase of property, plant and equipment (R196 million). Therefore the 2015 financial year cash flow has been restated with the resulting impact being that the cash outflow from financing activities increased by R196 million and the cash outflow from investing activities decreased by R196 million.

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

These consolidated and separate financial statements have been prepared under the historical cost convention as modified by the revaluation of non-trading financial asset investments, financial assets and financial liabilities held for trading, financial assets designated as fair value through profit or loss and investment property. Non-current assets and disposal groups held-for-sale, where applicable, are stated at the lower of its carrying amount and fair value less cost to sell.

The preparation of financial statements required the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and conditions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have a significant effect on the financial statements, and significant estimates made in the preparation of these consolidated and separate financial statements are discussed in note 45.

Standards, Interpretations and Amendments to published standards that are not yet effective are discussed in note 46.

2. STATEMENT OF COMPLIANCE

These consolidated and separate financial statements are prepared in accordance with IFRS and Interpretations adopted by the International Accounting Standards Board ("IASB"), the SAICA financial reporting guides as issued by the Accounting Practices Committee, financial reporting pronouncements issued by the Financial Reporting Standards Council and the Companies Act 71 of 2008.

3. BASIS OF CONSOLIDATION

The Group consists of the consolidated financial position and the operating results and cash flow information of Murray & Roberts Holdings Limited ("Company"), its subsidiaries, its interest in joint arrangements and associates. Subsidiaries are entities, including structured entities such as The Murray & Roberts Trust controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the power over the entity. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements. Intercompany transactions and balances on transactions between group companies are eliminated.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. Any increase or decrease in ownership interest in subsidiaries without a change in control is recognised as equity transactions in the consolidated financial statements. Accordingly, any premium or discount on subsequent purchases of equity instruments to non-controlling interests are recognised directly in equity of the parent shareholder.

Non-controlling interest loans

Certain companies elect to contribute to shareholder loans as opposed to stated capital. Loans from non-controlling shareholders are classified as equity instruments rather than financial liabilities if both conditions (a) and (b) below, as required by IAS 32: Financial Instruments: Presentation, paragraph 16, are met.

- (a) Loans from non-controlling shareholders includes no contractual obligations:
- to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the issuer or the Group.
- (b) Loans from non-controlling shareholders will not or may not be settled in the issuer's or the Group's own equity instruments. If the loans from non-controlling shareholders do not meet both conditions (a) and (b) they are classified as financial liabilities.

The raise or repayment of non-controlling interest loans that are classified as equity instruments has no impact on the effective shareholding of the non-controlling shareholder.

4. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred taxation assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12: Income Taxes and IAS 19: Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2: Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5: Non-current Assets Held-for-Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39: Financial Instruments: Recognition and Measurement, or IAS 37: Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interest in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if the interest was disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3: Business Combinations.

Goodwill

The Group uses the acquisition method to account for the acquisition of businesses.

Goodwill is recognised as an asset at the acquisition date of a business. Goodwill on the acquisition of a subsidiary is included in intangible assets.

Goodwill is not amortised. Instead, an impairment test is performed annually or more frequently if circumstances indicated that it might be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of business combinations. Any impairment loss of the cash generating unit is first allocated against the goodwill and thereafter against the other assets of the cash-generating unit on a *pro rata* basis.

Whenever negative goodwill arises, the identification and measurement of acquired identifiable assets, liabilities and contingent liabilities are reassessed. If negative goodwill still remains, it is recognised in profit or loss immediately. On disposal of a subsidiary the attributable goodwill is included in the determination of the profit or loss on disposal. The same principle is applicable for partial disposals where there is a change in ownership, in other words a portion of the goodwill is expensed as part of the cost of disposal. For partial disposals and acquisitions with no change in ownership, goodwill is recognised as a transaction with equity holders.

5. JOINT ARRANGEMENTS

Joint arrangements are those entities in which the Group has joint control. Under IFRS 11: Joint Arrangements, joint arrangements are classified as either joint operations or joint ventures depending upon the contractual rights and obligations each investor has in the joint arrangement. The Group's interest in joint arrangements, classified as joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. While those classified as joint operations are accounted for by recognising the joint operator's share of the assets, liabilities, revenue and expenses on the joint operation. The results of joint arrangements are included from the effective dates of acquisition and up to the effective dates of the disposal.

Intercompany transactions, balances and unrealised gains on transactions between the Group and its joint arrangements are eliminated on consolidation. Unrealised losses are eliminated and are also considered an impairment indicator of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with policies adopted by the Group.

6. INVESTMENT IN ASSOCIATE COMPANIES

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of financial performance, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate. The total carrying value of associates is evaluated annually for impairment. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36: Impairment of Assets to the extent that the recoverable amount of the investment subsequently increases.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

7. STANDALONE COMPANY'S FINANCIAL STATEMENTS

In the standalone accounts of the Company, the investment in a subsidiary company is carried at cost less accumulated impairment losses, where applicable.

8. FOREIGN CURRENCIES

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous audited financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Foreign currency monetary items

Monetary assets denominated in foreign currencies are translated into the functional currency at the closing rate of exchange ruling at the reporting date. Exchange differences arising on translation are credited to or charged against income.

Monetary liabilities denominated in foreign currencies are translated into the functional currency at the closing rate of exchange ruling at the reporting date. Exchange differences arising on translation are credited to or charged against income.

Monetary Group assets and liabilities (being Group loans, call accounts, equity loans, receivables and payables) denominated in foreign currencies are translated into the functional currency at the closing rate of exchange ruling at the reporting period date. Exchange differences arising on translation are credited to or charged against income except for those arising on equity loans that are denominated in the functional currency of either party involved. In those instances, the exchange differences are taken directly to equity as part of the foreign currency translation reserve.

Exchange differences arising on the settlement of monetary items are credited to or charged against income.

Foreign currency non-monetary items

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Exchange differences arising on translation are credited to or charged against income except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such items, any exchange component of that gain or loss is also recognised directly in equity.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated as historical exchange rates.

Foreign operations

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in the statement of other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially in the statement of other comprehensive income and accumulated in the translation reserve. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are recycled to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is recycled to profit or loss.

Murray & Roberts has elected the absolute approach in respect of partial disposals of entity's interest in foreign operations.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

9. FINANCIAL INSTRUMENTS

Classification

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

The Group classifies financial assets and liabilities into the following categories:

Loans and receivables

Loans and receivables are stated at amortised cost. Amortised cost represents the original amount less principle repayments received, the impact of discounting to net present value and a provision for impairment, where applicable.

When a loan has a fixed maturity date but carries no interest, the carrying value reflects the time value of money, and the loan is discounted to its net present value. The unwinding of the discount is subsequently reflected in the statement of financial performance as part of interest income.

Trade and other receivables

Trade and other receivables are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method.

The provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of recoverability based on historical trend analysis and events that exist at reporting date. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

Contract receivables and retentions

Contract receivables and retentions are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method.

Contract receivables and retentions comprise amounts due in respect of certified or approved certificates by the client or consultant at the reporting date for which payment has not been received, and amounts held as retentions on certified certificates at the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis.

All short-term cash investments are invested with major financial institutions in order to manage credit risk.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at each reporting date and impaired where there is objective evidence that as a result of one or more events that occurred after initial recognition of the financial assets, the estimated future cash flows of the investment have been impacted.

For available-for-sale assets, a significant or prolonged decline in the fair value of the asset below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of a financial asset is reduced through the use of an allowance account and changes to this allowance account are recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited against the allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue cost.

Treasury shares

The cost of an entity's own equity instruments that it has reacquired ('treasury shares') is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received is recognised directly in equity.

Non-trading financial liabilities

Non-trading financial liabilities are recognised at amortised cost. Amortised cost represents the original debt less principle payments made, the impact of discounting to net present value and amortisation of related costs.

Trade and other payables

Trade and other payables are liabilities to pay for goods and services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade and other payables are initially recognised at fair value, and are subsequently classified as non-trading financial liabilities and carried at amortised cost using the effective interest rate method.

Subcontractor liabilities

Subcontractor liabilities represent the actual unpaid liability owing to subcontractors for work performed including retention monies owed. Subcontractor liabilities are initially recognised at fair value, and are subsequently classified as non-trading financial liabilities and carried at amortised cost using the effective interest rate method.

Investments

Service concession investments are designated as fair value through profit or loss. All other investments are classified as non-trading financial assets or loans and receivables and accounted for accordingly.

Financial instruments designated as fair value through profit or loss

Financial assets, other than those held for trade, are classified in this category if the financial assets or liabilities are managed, and their performance evaluated, on a fair value basis in accordance with a documented investment strategy, and where information about these financial instruments are reported to management on a fair value basis. Under this basis the Group's concession equity investment is the main class of financial instruments so designated. The fair value designation, once made is irrevocable.

Measurement is initially at fair value, with transaction cost and subsequent fair value adjustment recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on financial assets. Fair value is determined in a manner as described in note 7. Where management has identified objective evidence of impairment, provisions are raised against the investment. Assets are considered to be impaired when the fair value of the assets is considered to be lower than the original cost of the investment.

Available-for-sale assets

Available-for-sale assets include financial instruments normally held for an indefinite period, but may be sold depending on changes in exchange, interest or other market conditions. Available-for-sale financial instruments are initially measured at fair value, which represents consideration given plus transaction cost, and subsequently carried at fair value. Fair value is based on market prices for these assets. Resulting gains or losses are recognised in the statement of other comprehensive income and accumulated as a fair value reserve in the statement of changes in equity until the asset is disposed of or impaired, when the cumulative gain or loss is recognised in profit or loss.

Where management has identified objective evidence of impairment, a provision is raised against the investment. When assessing impairment, consideration is given to whether or not there has been a prolonged decline in the market value below original cost.

Derivative financial instruments

Derivative financial instruments are initially measured at fair value at the contract date, which includes transaction costs. Subsequent to initial recognition derivative instruments are stated at fair value with the resulting gains or losses recognised in profit or loss.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses recognised in the statement of financial performance.

Where a legally enforceable right of offset exists for recognised derivative financial assets and liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

The Group generally makes use of three types of derivatives, being foreign exchange contracts, interest rate swap agreements and embedded derivatives. The majority of these are used to hedge the financial risk of recognised assets and liabilities, unrecognised forecast transactions or unrecognised firm commitments (hereafter referred to as "economic hedges"). Hedge accounting is not necessarily applied to all economic hedges but only where management made a decision to designate the hedge as either a fair value or cash flow hedge and the hedge qualifies for hedge accounting.

Hedging activities

Economic hedges where hedge accounting is not applied:

When a derivative instrument is entered into as a hedge, all fair value gains or losses are recognised in profit or loss.

Economic hedges where hedge accounting applied:

Hedge accounting recognises the offsetting effects of the hedging instrument (i.e. the derivative) and the hedged item (i.e. the item being hedged such as a foreign denominated liability).

Hedges can be designated as fair value hedges, cash flow hedges, or hedges of net investments in foreign entities.

Fair value hedges

When a derivative instrument is entered into and designated as a fair value hedge, all fair value gains or losses are recognised in profit or loss.

Changes in the fair value of a hedging instrument that is highly effective and is designated and qualifies as a fair value hedge are recognised in profit or loss together with the changes in the fair value of the related hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instruments expire or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

Cash flow hedges

Where a derivative instrument is entered into and designated as a cash flow hedge of a recognised asset, liability or a highly probable forecast transaction, the effective part of any gain or loss arising on the derivative instrument is recognised as part of the hedging reserve until the underlying transaction occurs. The ineffective part of any gain or loss is immediately recognised in profit or loss.

If the underlying transaction occurs and results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity must be reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as in the periods that interest income or interest expense is recognised). However, if the Group expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it shall reclassify into profit or loss the amount that is not expected to be recovered.

If the underlying transaction occurs and results in recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains or losses that were recognised directly in equity are included in the initial cost or other carrying value of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Loans to/from group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint arrangements and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

10. CONTRACTS-IN-PROGRESS AND CONTRACT RECEIVABLES

Contracts-in-progress represents those costs recognised by the stage of completion of the contract activity at the reporting date. Anticipated losses to completion are expensed immediately in profit or loss.

Advanced payments received

Advance payments received are assessed on initial recognition to determine whether it is probable that it will be repaid in cash or another financial asset. In this instance, the advance payment is classified as a non-trading financial liability that is carried at amortised cost. If it is probable that the advance payment will be repaid with goods or services, the liability is carried at historic cost.

11. INTANGIBLE ASSETS OTHER THAN GOODWILL

An intangible asset is an identifiable, non-monetary asset that has no physical substance. An intangible asset is recognised when it is identifiable, the Group has control over the asset, it is probable that economic benefits will flow to the Group, and the cost of the asset can be measured reliably.

Computer software

Acquired computer software that is significant and unique to the business is capitalised as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programmes are capitalised as intangible assets only if it qualifies for recognition. In all other cases these costs are recognised as an expense incurred.

Costs that are directly associated with the development and production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion of relevant overheads. Computer software is amortised on a systematic basis over its estimated useful life from the date it becomes available for use.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairments. Expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense when incurred and is not capitalised.

Subsequent costs

Subsequent costs incurred on intangible assets are included in the carrying value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenditure is expensed as incurred.

Amortisation

Amortisation is charged to profit or loss on a systematic basis over the estimated useful life of the intangible asset from the date that they are available for use unless the useful lives are indefinite. Intangible assets with indefinite lives are tested annually for impairment. The estimate useful lives and residual values are reviewed at the end of each reporting period and the effect of any change in estimate will be applied prospectively.

The average amortisation periods are set out in note 5.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that the Group holds for its own use or for rental to others and which the Group expects to be used for more than one period. Property, plant and equipment could be constructed by the Group or purchased by the entities. The consumption of property, plant and equipment is reflected through a depreciation charge designated to reduce the asset to its residual value over its useful life. The useful lives of property, plant and equipment are set out in note 2.

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Measurement

All property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, except for land, which is stated at cost less accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item and includes transfers from equity of any gains or losses on qualifying cash flow hedges of currency purchases of property, plant and equipment.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2004, the date of transition to IFRS, are measured on the basis of deemed cost, being the revalued amount at that revaluation date.

Subsequent costs

Subsequent costs are included in an asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Day-to-day servicing cost are recognised in profit or loss for the year incurred.

Revaluations

Property, plant and equipment are not revalued.

Assets held under finance leases

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Components

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant components and where they have different useful lives, are recorded and depreciated separately. The remainder of the cost, being the parts of the item that are individually not significant or have similar useful lives, are grouped together and depreciated as one component.

Depreciation

Depreciation is calculated on the straight-line or units of production basis at rates considered appropriate to reduce the carrying value of each component of an asset to its residual value over its estimated useful life. The average depreciation periods are set out in note 2.

Depreciation commences when the asset is in the location and condition for its intended use by management and ceases when the asset is derecognised or classified as held-for-sale.

The useful life and residual value of each component is reviewed annually at year end and, if expectations differ from previous estimates, adjusted for prospectively as a change in accounting estimate.

Impairment

Where the carrying value of an asset is greater than its estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying value in line with its recoverable amount.

Dismantling and decommissioning costs

The cost of an item of property, plant and equipment includes the initial estimate of the costs of its dismantlement, removal, or restoration of the site on which it was located.

13. INVESTMENT PROPERTY

Investment properties are land, buildings or part thereof that are either owned or leased by the Group under a finance lease for the purpose of earning rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, for administrative purposes, or sale in the ordinary course of business. The classification is performed on a property-by-property basis.

Initially, investment properties are measured at cost including all transaction costs. Subsequent to initial recognition investment properties are stated at fair value, with any movements in fair value recognised in profit or loss.

Investment properties are derecognised when they have either been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from their disposal.

Any gain or loss on the derecognition of investment properties is recognised in profit or loss in the year of derecognition.

14. IMPAIRMENT OF ASSETS

At each reporting period the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, the asset is tested for impairment by estimating the recoverable value of the related asset. Irrespective of whether there is any indication of impairment, an intangible asset with an indefinite useful life, intangible asset not yet available for use and goodwill acquired in a business combination, are tested for impairment on an annual basis.

When performing impairment testing, the recoverable amount is determined for the individual asset for which an objective indication of impairment exists. If the asset does not generate cash flows from continuing use that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit ("CGU") to which the assets belong.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

15. NON-CURRENT ASSETS HELD-FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets, disposal groups, or components of an enterprise are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets, disposal groups, or components of an enterprise classified as held-for-sale are stated at the lower of its previous carrying value and fair value less cost to sell.

An impairment loss, if any, is recognised in profit or loss for any initial and subsequent write-down of the carrying value to fair value less cost to sell. Any subsequent increase in fair value less cost to sell is recognised in profit or loss to the extent that it is not in excess of the previously recognised cumulative impairment losses. The impairment loss recognised first reduces the carrying value of the goodwill allocated to the disposal group, and the remainder to the other assets of the disposal group *pro rata* on the basis of the carrying value of each asset in the disposal group.

Assets such as inventory and financial instruments allocated to a disposal group will not absorb any portion of the write-down as they are assessed for impairment according to the relevant accounting policy involved. Any subsequent reversal of an impairment loss should be proportionately allocated to the other assets of the disposal group on the basis of the carrying value of each asset in the unit (group of units), but not to goodwill.

Assets held-for-sale are not depreciated or amortised. Interest and other expenses relating to the liabilities of a disposal group continue to be recognised.

When the sale is expected to occur beyond one year, the costs to sell are measured at their present value. Any increase in the present value of the cost to sell that arises from the passage of time is presented in profit or loss as an interest expense.

Non-current assets, disposal groups or components of an enterprise that are classified as held-for-sale are presented separately on the face of the statement of financial position. The sum of the post-tax profit or loss of the discontinued operation, and the post-tax gain or loss on the remeasurements to fair value less cost to sell is presented as a single amount on the face of the statement of financial performance.

16. INVENTORIES

Inventories comprise raw materials, properties for resale, consumable stores and in the case of manufacturing entities, work-in-progress and finished goods. Consumable stores include minor spare parts and servicing equipment that are either expected to be used over a period less than 12 months or for general servicing purposes. Consumable stores are recognised in profit or loss as consumed.

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories is determined using the following cost formulas:

- Raw materials – First In, First Out (“FIFO”) or Weighted Average Cost basis.
- Finished goods and work-in-progress – cost of direct materials and labour including a proportion of factory overheads based on normal operating capacity.

For inventories with a different nature or use to the Group, different cost formulas are used. The cost of inventories includes transfers from equity of any gains or losses on qualifying cash flow hedges of currency purchase cost, where applicable.

In certain business operations the standard cost method is used. The standard cost takes into account normal levels of materials and supplies, labour, efficiency and capacity utilisation. These are regularly reviewed and, if necessary, revised in the light of current conditions. All abnormal variances are immediately expensed as overhead costs. All under absorption of overhead costs are expensed as normal overhead cost, while over absorption is adjusted against the inventory item or the cost of sales if already sold.

Net realisable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and costs incurred in marketing, selling and distribution.

Property development

Property developments are stated at the lower of cost or realised value. Cost is assigned by specific identification and includes the cost of acquisition, development and borrowing costs during development. When development is completed borrowing costs and other charges are expensed as incurred.

17. LEASES

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised. All other leases are classified as operating leases. The classification is based on the substance and financial reality of the whole transaction rather than the legal form. Greater weight is therefore given to those features which have a commercial effect in practice. Leases of land and buildings are analysed separately to determine whether each component is an operating or finance lease.

Finance leases

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at an amount equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Any direct cost incurred in negotiating or arranging a lease is added to the cost of the asset. The present value of the cost of decommissioning, restoration or similar obligations relating to the asset are also capitalised to the cost of the asset on initial recognition. The discount rate used in calculating the present value of minimum lease payments is the rate implicit in the lease.

The group as a lessee

Capitalised leased assets are accounted for as property, plant and equipment. They are depreciated using the straight-line or unit of production basis at rates considered appropriate to reduce the carrying value over the estimated useful lives to the estimated residual values. Where it is not certain that an asset will be taken over by the Group at the end of the lease, the asset is depreciated over the shorter of the lease period and the estimated useful life of the asset.

Finance lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are charged to operating costs as they become due.

The group as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating leases

Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term. In negotiating a new or renewed operating lease, the lessor may provide incentives for the Group to enter into the agreement, such as up-front cash payments or initial rent-free period. These benefits are recognised as a reduction of the rental expense over the lease term, on a straight-line basis.

18. PROVISIONS AND CONTINGENCIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle that obligation at the reporting date, and are discounted to present value when the effect is material.

Provisions are reflected separately on the face of the statement of financial position and are separated into their long term and short term portions. Contract provisions are, however, deducted from contracts-in-progress.

Provisions for future expenses are not raised, unless supported by an onerous contract, being a contract in which unavoidable costs that will be incurred in meeting contract obligations are in excess of the economic benefits expected to be received from the contract.

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting dates, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised in accordance with IAS 18: Revenue.

Restructuring

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the inflow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the Group but not recognised in the statement of financial position.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions.

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

19. SHARE-BASED PAYMENTS

An expense is recognised where the Group received goods or services in exchange for shares or rights over shares ("equity-settled transactions") or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions").

Employees, including directors, of the Group receive remuneration in the form of share-based transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined independently by using the binomial lattice and Monte Carlo Simulation models. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group ("market conditions"). The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the period in which the non-market performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

For cash-settled transactions, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting period.

Where there are any vested share options which have not been exercised by the employees and have expired, the cumulative expense recognised in the share-based payment reserve is reclassified to retained earnings.

20. EMPLOYEE BENEFITS

Defined contribution plans

Under defined contribution plans the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits, is borne by the employee. Such plans include multi-employer or state plans.

Employee and employer contributions to defined contribution plans are recognised as an expense in the year in which incurred.

Defined benefit plans

Under defined benefit plans, the Group has an obligation to provide the agreed benefits to current and former employees. The actuarial and investment risk are borne by the Group. A multi-employer or state plan that is classified as a defined benefit plan, but for which sufficient information is not available to enable defined benefit accounting, is accounted for as a defined contribution plan.

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Methods, with actuarial valuations being carried out at each reporting period date.

The current service cost as well as net interest expense in respect of defined benefit plans is recognised as an expense in the year to which it relates. Past service costs are recognised immediately in profit or loss. Experience adjustments, effects of changes in actuarial assumptions and plan amendments in respect of existing and retired employees are recognised in other comprehensive income as remeasurements in the period in which they arise. Deficits arising on these funds, if any, are recognised immediately in respect of retired employees and over the remaining service lives of current employees.

The defined benefit obligation in the statement of financial position, if any, represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and are reduced by the fair value of planned assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contribution to the plan.

21. TAXATION

Income taxation expense represents the sum of current and deferred taxation.

Current taxation assets and liabilities

The current taxation liability is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of financial performance because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current taxation is calculated using taxation rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation assets and liabilities

A deferred taxation liability is based on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profits, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition, other than in business combinations, of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profits.

Deferred taxation liabilities are recognised for the taxable temporary differences arising from investments in subsidiaries, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred taxation assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of a deferred taxation asset is revised at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the asset or part of the asset to be recovered.

Deferred taxation is calculated at the taxation rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred taxation is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred taxation is also charged or credited directly to equity.

Deferred taxation assets and liabilities are offset when there is a legal enforceable right to offset deferred taxation assets against liabilities and when the deferred taxation relates to the same fiscal authority.

22. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all executive and non-executive directors.

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

23. REVENUE

Revenue is the aggregate of turnover of subsidiaries and the Group's share of the turnover of joint arrangements and is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of rebates, discounts and sales related taxes:

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from services is recognised over the period during which the services are rendered.

Interest and dividend income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity. Dividend income is recognised when the right to receive payment is established.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Long term and construction contracts

Where the outcome of a long term and construction contract can be reliably measured, revenue and costs are recognised by reference to the stage of completion of the contract at the reporting date, as measured by the proportion that contract costs incurred for work to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that collection is probable and the amounts can be reliably measured. Anticipated losses to completion are immediately recognised as an expense in contract costs.

Where the outcome of the long term and construction contracts cannot be estimated reliably, contract revenue is recognised to the extent that the recoverability of incurred costs is probable.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as amounts received in excess of work completed. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

In limited circumstances, contracts may be materially impacted by a client's actions such that the Group is unable to complete the contracted works at all or in the manner originally forecast. This may include dispute resolution procedures under the relevant contract and/or litigation. In these circumstances the assessment of the project outcome, whilst following the basic principles becomes more judgemental.

24. DIVIDENDS

Dividends are accounted for on the date of declaration and are not accrued as a liability in the financial statements until declared.

25. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Executive Committee who makes strategic decisions.

Inter-segment transfers

Segment revenue, segment expenses and segment results include transfers between operating segments and between geographical segments. Such transfers are accounted for at arm's length prices. These transfers are eliminated on consolidation.

Segmental revenue and expenses

All segment revenue and expenses are directly attributable to the segments.

Segmental assets

All operating assets used by a segment principally include property, plant and equipment, investments, inventories, contracts-in-progress, and receivables, net of allowances. Cash balances are excluded.

Segmental liabilities

All operating liabilities of a segment principally include accounts payable, subcontractor liabilities and external interest bearing borrowings.

26. BLACK ECONOMIC EMPOWERMENT

IFRS 2: Share-Based Payments requires share-based payments to be recognised as an expense in profit or loss. This expense is measured at fair value of the equity instruments issued at grant date.

Letsema Vulindlela Black Executive Trust

Once selected, black executives become vested beneficiaries of the Letsema Vulindlela Black Executive Trust and are granted Murray & Roberts shares. In terms of their vesting rights, the fair value of these equity instruments, valued at the various dates on which the grants take place, are recognised as an expense over the related vesting periods.

Letsema Khanyisa Black Employee Benefits Trust and Letsema Sizwe Community Trust

These trusts established as 100-year trusts. However, after the lock-in period ending 31 December 2020, they may, at the discretion of the trustees, be dissolved in which event any surplus in these trusts, after the settlement of all the liabilities, will be transferred to organisations which engage in similar public benefit activities. An IFRS 2 expense will have to be recognised at such point in time when this surplus is distributed to an independent public benefit organisation.

27. SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

28. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the asset is ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

TRADING HISTORY OF MURRAY & ROBERTS SHARES ON THE JSE

Daily

| Date | Share price High (cents) | Share price Low (cents) | Share price Close (cents) | Volume | Value (Rand) |
|---------------|--------------------------------|-------------------------------|---------------------------------|------------|-----------------|
| 3 April 2018 | 1 420 | 1 380 | 1 409 | 1 531 029 | 21 471 265 |
| 4 April 2018 | 1 436 | 1 375 | 1 427 | 1 617 890 | 22 951 604 |
| 5 April 2018 | 1 478 | 1 427 | 1 465 | 496 566 | 7 176 223 |
| 6 April 2018 | 1 518 | 1 425 | 1 490 | 6 034 362 | 89 777 021 |
| 9 April 2018 | 1 512 | 1 489 | 1 510 | 730 649 | 10 947 096 |
| 10 April 2018 | 1 548 | 1 495 | 1 500 | 4 583 360 | 68 772 352 |
| 11 April 2018 | 1 525 | 1 498 | 1 500 | 30 538 446 | 458 097 983 |
| 12 April 2018 | 1 512 | 1 498 | 1 510 | 1 039 004 | 15 646 681 |
| 13 April 2018 | 1 525 | 1 451 | 1 510 | 14 982 124 | 224 731 573 |
| 16 April 2018 | 1 524 | 1 455 | 1 507 | 451 301 | 6 773 465 |
| 17 April 2018 | 1 537 | 1 499 | 1 528 | 154 623 | 2 344 469 |
| 18 April 2018 | 1 520 | 1 494 | 1 502 | 314 146 | 4 722 094 |
| 19 April 2018 | 1 529 | 1 503 | 1 520 | 177 712 | 2 696 350 |
| 20 April 2018 | 1 529 | 1 502 | 1 505 | 481 082 | 7 264 986 |
| 23 April 2018 | 1 515 | 1 499 | 1 505 | 1 063 275 | 16 017 212 |
| 24 April 2018 | 1 521 | 1 499 | 1 510 | 1 787 302 | 26 968 570 |
| 25 April 2018 | 1 547 | 1 437 | 1 510 | 2 162 017 | 32 674 984 |
| 26 April 2018 | 1 536 | 1 500 | 1 520 | 114 894 | 1 744 671 |
| 30 April 2018 | 1 557 | 1 502 | 1 557 | 722 652 | 11 084 155 |
| 2 May 2018 | 1 578 | 1 503 | 1 535 | 1 698 508 | 25 882 355 |
| 3 May 2018 | 1 570 | 1 530 | 1 568 | 182 610 | 2 828 821 |
| 4 May 2018 | 1 600 | 1 530 | 1 554 | 688 641 | 10 651 663 |
| 7 May 2018 | 1 568 | 1 501 | 1 527 | 114 841 | 1 764 500 |
| 8 May 2018 | 1 575 | 1 520 | 1 558 | 121 875 | 1 886 322 |
| 9 May 2018 | 1 599 | 1 550 | 1 557 | 551 412 | 8 577 970 |
| 10 May 2018 | 1 570 | 1 526 | 1 551 | 87 400 | 1 360 030 |
| 11 May 2018 | 1 550 | 1 531 | 1 547 | 52 668 | 810 558 |
| 14 May 2018 | 1 568 | 1 526 | 1 555 | 32 846 | 509 137 |
| 15 May 2018 | 1 586 | 1 526 | 1 550 | 15 465 | 238 729 |
| 16 May 2018 | 1 600 | 1 526 | 1 566 | 275 163 | 4 339 181 |
| 17 May 2018 | 1 566 | 1 532 | 1 539 | 43 063 | 662 999 |
| 18 May 2018 | 1 609 | 1 479 | 1 601 | 631 112 | 9 966 820 |
| 21 May 2018 | 1 700 | 1 560 | 1 595 | 836 040 | 13 391 297 |
| 22 May 2018 | 1 712 | 1 524 | 1 603 | 656 350 | 10 532 903 |
| 23 May 2018 | 1 720 | 1 535 | 1 720 | 18 509 124 | 314 299 713 |
| 24 May 2018 | 1 725 | 1 653 | 1 725 | 296 531 | 5 052 767 |
| 25 May 2018 | 1 739 | 1 699 | 1 720 | 973 443 | 16 560 068 |
| 28 May 2018 | 1 725 | 1 631 | 1 725 | 45 661 | 778 216 |
| 29 May 2018 | 1 720 | 1 700 | 1 715 | 214 374 | 3 659 801 |
| 30 May 2018 | 1 776 | 1 700 | 1 753 | 2 343 632 | 40 594 388 |
| 31 May 2018 | 1 818 | 1 707 | 1 818 | 305 728 | 5 509 436 |
| 1 June 2018 | 1 870 | 1 710 | 1 870 | 1 460 731 | 26 394 650 |
| 4 June 2018 | 1 925 | 1 750 | 1 919 | 1 127 302 | 21 255 304 |
| 5 June 2018 | 1 914 | 1 773 | 1 850 | 936 592 | 17 297 193 |
| 6 June 2018 | 1 865 | 1 750 | 1 800 | 1 501 258 | 27 628 045 |
| 7 June 2018 | 1 823 | 1 748 | 1 763 | 76 789 | 1 361 784 |
| 8 June 2018 | 1 758 | 1 726 | 1 726 | 179 283 | 3 116 168 |
| 11 June 2018 | 1 745 | 1 707 | 1 738 | 75 874 | 1 316 771 |
| 12 June 2018 | 1 769 | 1 735 | 1 750 | 74 481 | 1 302 191 |
| 13 June 2018 | 1 781 | 1 750 | 1 760 | 83 089 | 1 466 933 |
| 14 June 2018 | 1 768 | 1 711 | 1 750 | 92 467 | 1 617 308 |
| 15 June 2018 | 1 790 | 1 716 | 1 790 | 1 938 865 | 34 522 695 |
| 18 June 2018 | 1 800 | 1 741 | 1 780 | 138 190 | 2 445 614 |
| 19 June 2018 | 1 792 | 1 735 | 1 774 | 138 945 | 2 434 309 |
| 20 June 2018 | 1 821 | 1 750 | 1 789 | 475 789 | 8 514 774 |
| 21 June 2018 | 1 799 | 1 725 | 1 763 | 83 465 | 1 475 469 |
| 22 June 2018 | 1 799 | 1 736 | 1 762 | 70 597 | 1 242 910 |
| 25 June 2018 | 1 798 | 1 750 | 1 750 | 563 286 | 9 933 720 |
| 26 June 2018 | 1 800 | 1 736 | 1 774 | 627 791 | 11 080 871 |
| 27 June 2018 | 1 782 | 1 753 | 1 753 | 592 921 | 10 517 072 |

Monthly

| Date | Share price High (cents) | Share price Low (cents) | Aggregated volume | Aggregated value (Rand) |
|----------------|--------------------------------|-------------------------------|----------------------|-------------------------------|
| January 2017 | 1 163 | 1 025 | 11 114 009 | 125 543 266 |
| February 2017 | 1 619 | 1 053 | 134 488 236 | 1 971 013 626 |
| March 2017 | 1 710 | 1 456 | 21 755 264 | 338 511 338 |
| April 2017 | 1 595 | 1 345 | 14 018 492 | 208 781 121 |
| May 2017 | 1 478 | 1 270 | 12 562 326 | 173 817 081 |
| June 2017 | 1 416 | 1 164 | 13 461 601 | 179 231 195 |
| July 2017 | 1 650 | 1 277 | 4 644 587 | 67 316 270 |
| August 2017 | 1 600 | 1 232 | 5 331 571 | 75 362 684 |
| September 2017 | 1 840 | 1 480 | 12 309 886 | 199 995 162 |
| October 2017 | 1 731 | 1 400 | 11 839 035 | 187 116 892 |
| November 2017 | 1 187 | 1 630 | 4 751 530 | 70 189 082 |
| December 2017 | 1 432 | 1 010 | 6 779 084 | 79 504 085 |
| January 2018 | 1 275 | 1 090 | 4 565 168 | 53 619 937 |
| February 2018 | 1 263 | 1 023 | 13 001 765 | 144 773 248 |
| March 2018 | 1 452 | 870 | 34 604 594 | 448 196 435 |
| April 2018 | 1 557 | 1 375 | 68 982 434 | 1 031 862 753 |
| May 2018 | 1 818 | 1 479 | 28 676 487 | 479 857 674 |
| June 2018* | 1 925 | 1 707 | 10 237 715 | 184 923 779 |

Source: JSE Information Services.

*As at the Last Practicable Date.

