



MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ADR Code: MURZY

ISIN: ZAE000073441

(“Murray & Roberts” or the “Company”)

INDEPENDENT BOARD ANNOUNCEMENT REGARDING RECEIPT OF AN UPDATED INDEPENDENT EXPERT OPINION AND FURTHER GUIDANCE FOR MURRAY & ROBERTS SHAREHOLDERS IN RELATION TO THE NEW MANDATORY OFFER BY ATON GMBH (“ATON”)

SALIENT FEATURES

* On 5 June 2018, ATON withdrew its conditional voluntary offer and issued a new mandatory offer (“Mandatory Offer”) to acquire all of the ordinary shares in Murray & Roberts that it does not already own.

* The independent board of Murray & Roberts (“Independent Board”) has had an opportunity to assess the Mandatory Offer in conjunction with its advisers and obtained an updated independent expert opinion.

* The independent expert’s updated opinion on the Mandatory Offer continues to be that the offer is unfair but reasonable.

* Having had reference to the independent expert’s updated opinion, the Independent Board’s view remains unchanged that the fair value price range for control of Murray & Roberts is between R20.00 to R22.00 per Murray & Roberts’ ordinary share.

* ATON’s increased cash offer price of R17.00 per Murray & Roberts ordinary share (“Increased Offer Price”) remains below the Independent Board’s fair value price range for control and is also below the current trading price of Murray & Roberts ordinary shares on the JSE, which closed at R17.90 on Friday, 15 June 2018 and has traded as high as R19.19 on 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, it is obliged to do so in terms of the 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 Mandatory Offer and therefore should take no action in relation to the Mandatory Offer at this stage. In the event that the 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 accept the Mandatory Offer, if they choose to do so, on the terms offered by ATON at that time. Shareholders wishing to monetise 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 Independent Board's updated response circular setting out the Independent Board's recommendation on the Mandatory Offer as currently construed together with other important information for Murray & Roberts' shareholders will be posted by no later than Monday, 2 July 2018.

1. INTRODUCTION

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 a new offer circular ("Mandatory Offer Circular"), setting out the terms of a new Mandatory Offer at an increased offer consideration of R17.00 per Murray & Roberts' ordinary share. In addition, shareholders are referred to the Independent Board announcement on 28 May 2018 setting out the Independent Board's preliminary perspectives on the actions taken by ATON, following the ruling handed down by the Takeover Special Committee ("TSC") on Friday, 25 May 2018 ("TSC Ruling") and also providing important guidance for shareholders in relation to these developments.

2. UPDATED INDEPENDENT EXPERT OPINION

Following the issue of the Mandatory Offer, the Independent Board requested an updated independent expert report from BDO Corporate Finance Proprietary Limited ("Independent Expert"), the appointed Independent Expert to the Independent Board as required in terms of the Companies Act, 71 of 2008 ("Companies Act").

Shareholders are advised that the Independent Expert has completed its procedures and presented its updated findings to the Independent Board. The Independent Expert's opinion remains that the Mandatory Offer is unfair at the currently contemplated Increased Offer Price, but reasonable.

Having considered the updated findings of the Independent Expert, the Independent Board has affirmed its view that the fair value price range for control of Murray & Roberts is between R20.00 to R22.00 per Murray & Roberts ordinary share.

The findings of the Independent Expert, including its updated view on a fair value range for control of Murray & Roberts expressed as a price per Murray & Roberts' share, will be published as part of the response circular to be posted to Murray & Roberts shareholders by the Independent Board by no later than 2 July 2018.

3. IMPORTANT MATTERS IN RELATION TO THE MANDATORY OFFER

3.1. Increased Offer Price and further guidance for Murray & Roberts shareholders

The Independent Board notes ATON's Increased Offer Price of R17.00 per Murray & Roberts' ordinary share. Shareholders are reminded that ATON strongly advocated for a period of eight weeks that the original offer price of R15.00 per Murray & Roberts' ordinary 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 Mandatory Offer at the Increased Offer Price.

The Increased Offer Price remains below the Independent Board's fair value price range for control of R20.00 to R22.00. The Independent Board therefore continues to be of the view that the Mandatory Offer undervalues the strategic platforms and business prospects

of Murray & Roberts. The Independent Board does not recommend that Murray & Roberts shareholders accept the Mandatory Offer and therefore should take no action in relation to the Mandatory Offer at this stage.

The Independent Board remains of the view that ATON is resolved to follow through on its offer to acquire control of Murray & Roberts. Furthermore, it is obliged to do so in terms of the 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 Mandatory Offer and assess the actions to be taken by ATON from here.

In the event that the 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 accept the Mandatory Offer, if they choose to do so, on the terms offered by ATON at that time.

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

3.2. Matters raised with the Takeover Regulation Panel (“TRP”)

The TSC ruled that ATON should withdraw its conditional voluntary offer and replace it with a compliant mandatory offer on the same or similar terms to those contained in the forward sale agreement (“Forward Sale Agreement”) entered into between ATON and Allan Gray Proprietary Limited (“Allan Gray”) on 29 March 2018. Confirmation that the conditional voluntary offer was withdrawn and a process in terms of which withdrawal of prior acceptances by Murray & Roberts shareholders of the conditional voluntary offer is set out in the ATON Mandatory Offer circular.

Following the Independent Board's review of the 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:

3.2.1. Preferential treatment of shareholders

Shareholders are reminded that ATON offered Allan Gray a make whole price adjustment on any Murray & Roberts ordinary shares sold to ATON by Allan Gray under the Forward Sale Agreement. In terms of the make whole price adjustment, in the event that ATON increased the offer price above R15.00, ATON would be obliged to pay Allan Gray the difference between the increased offer price in respect of any shares that had been sold by Allan Gray to ATON at R15.00 under the Forward Sale Agreement. Based on the Increased Offer Price, ATON is currently obliged to pay Allan Gray an additional R2.00 (being the difference between the Increased Offer Price and the original offer price of R15.00) per Murray & Roberts ordinary 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 Allan Gray whole for any incremental increase.

In terms of the TSC Ruling, the make whole benefit 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 of the Forward Sale Agreement.

Notwithstanding the TSC Ruling, ATON has not extended the make whole adjustment to all Murray & Roberts' shareholders on the same basis as Allan Gray, to the prejudice of those Murray & Roberts shareholders that sold shares to ATON at less than the Increased Offer Price between 29 March 2018 and the date of the issue of the Mandatory Offer at the Increased Offer Price on 5 June 2018.

3.2.2. Conditions under the control of ATON

The Mandatory Offer remains subject to certain conditions, the fulfilment of which is under the control of ATON. This includes, amongst others, ATON's right to reject 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 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.

4. POSTING OF RESPONSE CIRCULAR

The Independent Board is required to post an updated response circular ("Response Circular") by no later than Monday, 2 July 2018, as specified in the Takeover Regulations published in terms of Section 120 of the Companies Act.

The formal recommendation of the Independent Board in relation to the Mandatory Offer will be set out in the Response Circular.

5. RESPONSIBILITY STATEMENT

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

Bedfordview
18 June 2018

Financial adviser and transaction sponsor
Deutsche Bank

Legal adviser
Webber Wentzel

Independent expert
BDO Corporate Finance Proprietary Limited

Sponsor
Deutsche Securities (SA) Proprietary Limited