



MURRAY & ROBERTS HOLDINGS LIMITED

Media Statement

MURRAY & ROBERTS' INDEPENDENT BOARD WELCOMES RULING BY THE TAKEOVER SPECIAL COMMITTEE AND THE WITHDRAWAL OF THE VOLUNTARY OFFER BY ATON

Johannesburg, 29 May 2018 – The Murray & Roberts Holdings Limited Independent Board (“Independent Board”) today published its response announcement on SENS regarding ATON’s intention to make a new mandatory offer to acquire all the issued ordinary shares of Murray & Roberts not already owned, as announced by ATON on SENS on 28 May 2018.

Ruling by the Takeover Special Committee

The Independent Board of Murray & Roberts approached the Takeover Regulation Panel for relief for Murray & Roberts’ shareholders following review of ATON’s voluntary offer and the terms offered by ATON in terms of a forward sale agreement entered into with Allan Gray in March 2018. The matter was strongly contested by ATON, notwithstanding the prejudice posed to Murray & Roberts shareholders, both past and present, and subsequently referred to the Takeover Special Committee.

The Takeover Special Committee handed down its ruling on Friday, 25 May 2018 and instructed ATON to withdraw its non-compliant voluntary offer and re-issue a new compliant mandatory offer, ensuring equal treatment of shareholders. The ruling is a favourable outcome for Murray & Roberts shareholders.

In order to table a compliant mandatory offer, ATON is required to remove, amongst other things:

- the condition that the offer can be declared unconditional subject to ATON achieving a minimum shareholding of 50% plus one Murray & Roberts ordinary share;
- the subjective price adjustments and conditions precedent that were capable of being accepted, rejected or waived at ATON’s sole discretion; and
- the preferential make whole price adjustment that had been offered by ATON to Allan Gray, in the event that the offer price was subsequently increased by ATON above R15.00.

Requirement for ATON to make a mandatory offer

The Independent Board draws attention to the announcement by ATON yesterday, withdrawing the non-compliant voluntary offer and the re-issuing of a firm intention to make a new mandatory offer.

ATON has now tabled an increased offer price of R17.00 per Murray & Roberts ordinary share, despite strongly repeating over the past eight weeks that the previous offer price of R15.00 per Murray & Roberts ordinary share represents full value for Murray & Roberts shareholders.

The increased offer price of R17.00 remains below the Independent Board's guided fair value range of R20.00 to R22.00 per Murray & Roberts ordinary share and therefore continues to undervalue Murray & Roberts based on its prospects.

The Independent Board is of the view that ATON is resolved to follow through on its offer to acquire control of Murray & Roberts on a contested basis. Given that fact and that ATON has now begun increasing the offer price, the Independent Board advised Murray & Roberts' shareholders to continue to take no further action at this time.

Engagement with ATON by the Independent Board

Following receipt of the Takeover Special Committee's ruling on Friday, 25 May 2018 and in light of ATON's intention to increase the offer price to R17.00 per Murray & Roberts share communicated the same day, the Independent Board sought to engage with ATON with a view to establishing whether there was a basis for agreeing a mutually acceptable set of terms and to cooperate in implementing the new ATON mandatory offer, even if the offer price could not be recommended by the Independent Board. The basis for any such discussions commencing would be on the understanding that the increased offer price of R17.00 remained too low and not in the best interest of Murray & Roberts or its shareholders. Regrettably, ATON was not willing to engage with the Independent Board on this basis.

Actions taken by the Independent Board

The Independent Board notes the Takeover Special Committee's ruling regarding the actions taken by the Independent Board in responding to the withdrawn ATON offer. At all times since receipt of the firm intention offer letter in March 2018, the Independent Board's actions and guidance has been in the best interests of the Company and its shareholders. The guidance to Murray & Roberts' shareholders to not accept the withdrawn ATON offer was carefully considered, taking into account the opportunistic nature of ATON's approach. Ultimately, these actions have forced ATON to issue a new firm intention announcement and in due course the new ATON mandatory offer at an increased offer price with reduced conditionality.

Investor Conference Call

A conference call will be held at 14h00 on Wednesday, 30 May 2018 to provide Murray & Roberts shareholders and interested parties with the Independent Boards' views on the new ATON mandatory offer followed by the opportunity to participate in a Q&A to address any questions or concerns. Details are as follows:

- Australia: 02 8015 2168
- Johannesburg Neotel: 011 535 3500
- Johannesburg Telkom: 010 201 6700
- UK: 0 333 300 1417

- USA and Canada: 1 508 924 4325

Participants to ask to be joined into the Murray & Roberts Holdings Limited call.

Ends

This media statement is meant to be read in conjunction with the full announcement released on SENS on 29 May 2018.

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About Murray & Roberts

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The Group delivers its capabilities into three global market sectors: oil & gas; metals & minerals and power & water.

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 - a. Australia and South Korea
- 3. Europe**
 - a. Scotland
- 4. North America**
 - a. USA and Canada

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