

MUR - Murray & Roberts Holdings Limited - Allegations of corrupt practices

16 Jul 2009

MUR

MUR

MUR - Murray & Roberts Holdings Limited - Allegations of corrupt practices

MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ISIN Code: ZAE000073441

("Murray & Roberts" or "Group")

ALLEGATIONS OF CORRUPT PRACTICES

Murray & Roberts is a highly regarded South African business with significant global activities and about 35% of its shares held by international investors. A significant percentage of its order book is with the South African public sector, which includes some of its involvement in projects associated with the 2010 FIFA Soccer World Cup.

While recognising an expressed public concern at an evident history of corruption in the global construction industry, often in concert with the authorities for whom the industry works, it is incumbent on Murray & Roberts as South Africa's construction industry leader, to place some perspective on public allegations of corrupt practices associated with the stadium projects for the 2010 FIFA Soccer World Cup, which allegations are categorically refuted insofar as they refer to Murray & Roberts.

In compliance with its legal obligation, Murray & Roberts took an industry lead before any public concern was expressed on possible corruption in the construction industry. The Group initiated internal audits across its various operations and commenced a program of communication and training to assist employees in understanding competition law and its implications on the Group. Where any evidence of possible collusion is uncovered, disclosure is made and as promised publicly by the Group, full cooperation given to the authorities. Murray & Roberts has been involved only in construction of the Greenpoint Stadium, as a joint venture partner given the size, complexity and timeframe required of the project. The joint venture is directly responsible for less than 40% of the total cost of the project. The remainder has been under the direct control of the City of Cape Town and includes professional team fees, client costs, selected subcontractors, provisional sums and prime cost items determined in advance by the professional team. The project has been substantially redesigned and construction has been accelerated to overcome delays in award and the consequence of the redesign.

The original tender pricing for all 2010 FIFA Soccer World Cup stadia was investigated by the National Intelligence Agency at the request of Government and as far as Murray & Roberts is aware, no concerns relating to tender irregularities or pricing were raised. In fact, evidence given by Murray & Roberts to this enquiry showed underestimation of the capital costs in the original proposals supporting the 2010 FIFA Soccer World Cup bid.

Murray & Roberts reiterates its commitment to work with the competition authorities on concerns relating to the construction industry.

Bedfordview

16 July 2009

Sponsor:

Deutsche Securities (SA) (Pty) Ltd

Date: 16/07/2009 17:44:03 Produced by the JSE SENS Department.

The SENS service is an information dissemination service administered by the JSE Limited (`JSE`). The JSE does not, whether expressly, tacitly or implicitly, represent, warrant or in any way guarantee the truth, accuracy or completeness of the information published on SENS. The JSE, their officers, employees and agents accept no liability for (or in respect of) any direct, indirect, incidental or consequential loss or damage of any kind or nature, howsoever arising, from the use of SENS or the use of, or reliance on, information disseminated through SENS.

---