



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 THE RULING OF THE TAKEOVER SPECIAL COMMITTEE, THE WITHDRAWAL OF THE VOLUNTARY OFFER BY ATON GMBH (“ATON”) AND THE ISSUE OF A NEW MANDATORY OFFER

IMPORTANT NOTICES

* The Independent Board of Murray & Roberts approached the Takeover Regulation Panel for relief for Murray & Roberts’ shareholders following review of 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 voluntary offer and re-issue a new compliant mandatory offer, ensuring equal treatment for all 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.

* The Independent Board draws shareholders attention to the announcement by ATON yesterday, withdrawing the voluntary offer and the re-issuing of a firm intention to make a new mandatory offer. The Independent Board and its advisers are currently reviewing the new firm intention announcement.

* 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 advises Murray & Roberts' shareholders to continue to take no further action at this time.

1. INTRODUCTION

Shareholders are referred to the firm intention announcement released by ATON on SENS on 28 May 2018, regarding ATON's intention to make a new mandatory offer to acquire all the issued ordinary shares of Murray & Roberts not already owned by ATON, at a cash offer price of ZAR17.00 per Murray & Roberts ordinary share ("New ATON Mandatory Offer"). In addition, shareholders are referred to the simultaneous withdrawal by ATON of the non-compliant voluntary offer posted to Murray & Roberts shareholders on 9 April 2018 ("ATON Withdrawn Offer").

2. TAKEOVER SPECIAL COMMITTEE ("TSC") RULING

Shareholders are referred to the announcement made by the independent board of Murray & Roberts ("Independent Board") on Friday, 20 April 2018, regarding the posting of the Independent Board's response circular to the ATON Withdrawn Offer and specifically to the reference to certain matters that had been lodged by the Independent Board with the Takeover Regulation Panel ("TRP") in relation to the ATON Withdrawn Offer.

2.1 Requirement for ATON to make a mandatory offer

- On 29 March 2018, ATON proposed and then entered into a forward sale agreement ("Forward Sale Agreement") with Allan Gray (Pty) Ltd ("Allan Gray"), replacing an irrevocable undertaking to accept the ATON Withdrawn Offer issued by Allan Gray.
- ATON excluded the Murray & Roberts' ordinary shares acquired from Allan Gray pursuant to the Forward Sale Agreement, from the ATON Withdrawn Offer.
- The acquisition by ATON of Murray & Roberts' ordinary shares under the Forward Sale Agreement resulted in ATON acquiring more than 35% of the issued voting shares of Murray & Roberts, obliging ATON to make a mandatory offer to Murray & Roberts' shareholders, as contemplated in section 123 of the Companies Act of 2008 ("Companies Act") (as read with regulation 86).
- The ATON Withdrawn Offer (as construed by ATON) was a conditional voluntary offer and therefore did not comply with the requirements for a mandatory offer in a number of material respects, including the presence of:
 - a condition that the offer could be declared unconditional by ATON subject to ATON achieving a minimum shareholding of 50% plus one Murray & Roberts ordinary share;
 - subjective potential downward price adjustments, determined at ATON's sole discretion; and
 - subjective conditions precedent to the offer that were capable of being accepted, rejected or waived at ATON's sole discretion.

2.2 Removal of the preferential treatment of shareholders

- ATON afforded Allan Gray a make whole price adjustment on the Murray & Roberts ordinary shares sold by Allan Gray to ATON, in terms of the Forward Sale Agreement.
- In the event that ATON increased the offer price above R15.00, ATON was obliged to pay Allan Gray the increased offer price on the shares sold by Allan Gray to ATON under the Forward Sale Agreement in March 2018. As a consequence, Allan Gray

would benefit from any increased offer price above R15.00 per Murray & Roberts share on all its shares held at the time of entering into the Forward Sale Agreement.

- This make whole adjustment mechanism resulted in the preferential treatment of one shareholder relative to other Murray & Roberts shareholders, both past and present.

The above matters were set down by the TRP for consideration at a hearing of the TSC held on 15 and 16 May 2018.

The TSC subsequently handed down its ruling on these matters on Friday, 25 May 2018 (“TSC Ruling”). The TSC ruled in the Independent Board’s favour. ATON has accordingly been instructed to withdraw the ATON Withdrawn Offer and issue a compliant mandatory offer. In addition, ATON needs to extend the make whole adjustment afforded to Allan Gray to all Murray & Roberts’ shareholders, to the benefit of those Murray & Roberts shareholders that sold their Murray & Roberts shares to ATON after 29 March 2018 (i.e. date of the Forward Sale Agreement).

Following receipt of the TSC 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 the Company or its shareholders. Regrettably, ATON was not willing to engage with the Independent Board on this basis and subsequently released its new firm intention announcement regarding the intention to make the New ATON Mandatory Offer.

2.3 Actions taken by the Independent Board

The Independent Board notes the ruling by the TSC regarding the actions taken by the Independent Board in responding to the ATON Withdrawn 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 ATON Withdrawn 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.

3. NEW ATON MANDATORY OFFER

The Independent Board has noted ATON’s new firm intention announcement to make the New ATON Mandatory Offer at an increased cash offer price of R17.00 per Murray & Roberts’ ordinary share. The Independent Board is reviewing the new firm intention announcement in light of the TSC Ruling and will provide further guidance to Murray & Roberts’ shareholders in due course.

Upfront, the Independent Board wishes to draw shareholders attention to the fact that the increased offer price of R17.00 remains below the Independent Board’s fair value range of R20.00 to R22.00 per Murray & Roberts’ ordinary share.

The Independent Board is of the view that ATON remains resolved to implementing the transaction on a contested basis. This is evidenced by the increased offer price and proposed revised terms for the New ATON Mandatory Offer, despite ATON being strongly

of the view for the past eight weeks that an offer price of R15.00 per Murray & Roberts' ordinary share represented a full value for the Company.

The Independent Board will continue to act in the best interests of the Company and to seek to maximise value for Murray & Roberts shareholders. Accordingly, Murray & Roberts' shareholders are advised to take no further action in relation to the New ATON Mandatory Offer at this time.

4. 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.

For all other media enquiries, please contact:

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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
29 May 2018

Financial adviser and transaction sponsor
Deutsche Bank

Legal adviser
Webber Wentzel

Sponsor
Deutsche Securities (SA) Proprietary Limited