

Southern Palace Group-Led Consortium Acquires Murray & Roberts Infrastructure & Building Businesses

Johannesburg, 01 November 2016 – Murray & Roberts and Southern Palace Group today announced the purchase of the Murray & Roberts Southern African Infrastructure & Building (“I&B”) businesses, by a consortium led by the Southern Palace Group of Companies (Proprietary) Limited (“Southern Palace”). The fully-funded purchase consideration is R314 million.

Henry Laas, Murray & Roberts Group Chief Executive, comments: *“This transaction supports Murray & Robert’s long-term strategy and creates the first major black-owned infrastructure business in South Africa. We are pleased to announce Southern Palace as the new shareholder for the I&B businesses and believe that the transaction is in the best interests of both Murray & Roberts and the I&B businesses.”*

I&B is a leading infrastructure and building business, comprising eight divisions: (i) Murray & Roberts Buildings (Gauteng), (ii) Murray & Roberts Western Cape (iii) Murray & Roberts Infrastructure, (iv) Murray & Roberts Botswana, (v) Murray & Roberts Plant, (vi) Murray & Roberts Developments, (vii) Concor Opencast Mining (viii) Dynamic Concrete Solutions (Proprietary) Limited (Namibia) and (ix) the Murray & Roberts share in the Medupi Civils Joint Venture. Lucas Tseki, Southern Palace Chief Executive Officer, comments: *We are delighted to have concluded this transaction which sees us acquiring a strong Southern African asset with vast capabilities and a proud heritage of 114 years. We intend to build upon this impressive track record to the benefit of all of our key stakeholders. “*

Southern Palace is a wholly black-owned and managed South African, diversified industrial holding company with interests in numerous well-established businesses. Southern Palace has an established track record of successful investment transactions in the Southern African market.

“This acquisition is a key step in Southern Palace’s strategy of going beyond investment holding into operations. We look forward to partnering with the management team, with whom we intend establishing a long and profitable partnership”, adds Tseki.

This transaction excludes Murray & Roberts’ investment in the Bombela Concession Company, Bombela Civil Joint Venture and Bombela Operating Company, as well as the buildings business in the Middle East, where current projects are expected to be completed by December 2017 and no new projects are being pursued.

“This transaction is about Murray & Roberts exiting a specific market sector. Murray & Roberts remains committed to South Africa and the rest of Africa and will continue to support private and public sector clients in its chosen market sectors. It’s the Group’s vision, by 2025, to be a leading multinational group, which applies its project lifecycle capabilities to optimise client’s fixed capital investment in the global natural resources markets. This transaction allows the Group to focus its business on the oil & gas, metals & minerals, and power & water market sectors, which present long-term sustainable growth potential to the Group”, concludes Laas.