
Slowdown signs - Murray & Roberts Tameer Towers project terminated

Sunday, 29 Mar, 2009

Murray & Roberts Holdings announced to shareholders its joint venture construction contract for the USD 1.6 billion Tameer Towers project in Abu Dhabi has been terminated.

The group said that its 33% share of the contract was worth about USD 528 million of which about USD 9.5 million related to the remainder of the current financial year.

Murray & Roberts Middle East was working on the project with the local Al Habtoor Engineering Enterprises and Saudi Arabia's Al-Rahji Construction.

In a filing on the Johannesburg Stock Exchange recently on last Wednesday, the South African firm said that the termination would not have a material impact on its performance for the financial year to June 30th 2009.

The group said that it had already identified current and future opportunities in the region that had the potential to replenish its forward order book.

It said that the costs associated with work done to date would be recovered as stipulated in the contract.

The statement said that “The group has previously cautioned on volatility in the Middle East market as a result of the global financial crisis and, in particular, the alliance nature of the contracting arrangement on the Tameer Towers project.”

(Sourced from Arabian Business)

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