



THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal
Date: 11 March 2011
Status: Immediate

**THE MINISTER OF TRANSPORT AND PUBLIC
WORKS: PROVINCIAL GOVERNMENT OF THE
WESTERN CAPE**

FIRST APPELLANT

**THE HEAD OF THE DEPARTMENT OF
TRANSPORT AND PUBLIC WORKS:
PROVINCIAL GOVERNMENT OF THE
WESTERN CAPE**

SECOND APPELLANT

v

ZANBUILD CONSTRUCTION (PTY) LTD

FIRST RESPONDENT

ABSA BANK LIMITED

SECOND RESPONDENT

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal

1. On 11 March 2011 the Supreme Court of Appeal dismissed the appeal in this matter and confirmed the judgment of the Western Cape High Court.
2. The matter arose from two construction contracts in terms whereof Zanbuild Construction undertook to build two pathology laboratories for the Western Cape Department of Public Works at the Eben Dönges Hospital in Worcester and the TC Newman Hospital in Paarl.
3. As required by the two contracts, Zanbuild arranged with Absa Bank to issue two construction guarantees in favour of the Department. Subsequently the Department cancelled the construction contracts and demanded payment under the guarantees from Absa. But the SCA agreed with the Western Cape High Court that, on a proper interpretation of the guarantees, the Department was not entitled to payment. That is why the appeal was dismissed with costs.