

Sallies Limited
(Incorporated in the Republic of South Africa)
(Registration number 1903/001879/06)
JSE Code: SALD ISIN: ZAE000117305
("Sallies")

**CLARIFICATION ANNOUNCEMENT REGARDING THE MANDATORY OFFER TO DEBENTURE
HOLDERS**

Debenture holders were notified on SENS on 7 December 2011 that if they elect to receive the mandatory offer consideration for the convertible debentures as disclosed on SENS on 1 December 2011, they will be entitled to receive accrued interest on the debentures held up until the date of acceptance of the mandatory offer consideration. In this respect, the 7 December 2011 announcement is factually incorrect. Pursuant to the applicable terms and conditions of the mandatory offer announced by Fluormin plc ("Flourmin") on 29 November 2011, Flourmin will not pay accrued interest to the convertible debenture holders. Debenture holders are referred to page 118 (Annexure 10) of the circular to Sallies securities holders dated 1 November 2011 and to the Sallies SENS announcement dated 8 December 2011 for details pertaining to the mandatory offer.

15 December 2011
Johannesburg
Sponsor: Bridge Capital Advisors (Pty) Limited