

SAL - Sallies Limited - Honeywell Award Is Confirmed By Swiss Supreme Court

Sallies Limited

(Incorporated in the Republic of South Africa)

(Registration number 1903/001879/06)

Share code: SAL ISIN: ZAE000022588

("Sallies" or "the Company")

HONEYWELL AWARD IS CONFIRMED BY SWISS SUPREME COURT

Honeywell International Inc ("Honeywell") claimed an amount of USD6 847 305 from Sallies and its subsidiary, Witkop Fluorspar Mine (Proprietary) Limited ("Witkop"), for damages as a result of breach of contract. Sallies and Witkop counterclaimed an amount of USD1 067 327 from Honeywell for payment of materials delivered to Honeywell as well as USD2 027 797 for under-payments made by Honeywell for materials delivered to Honeywell.

On 3 April 2009 the International Chamber of Commerce International Court of Arbitration ("the Arbitral Tribunal") ruled that:

- Sallies and Witkop are to pay to Honeywell an amount totalling USD1 243 824 plus interest at 5 per cent per annum since 19 January 2006 until full payment;
- the counterclaim of USD3 095 119 by Sallies and Witkop be dismissed; and
- each party is to bear its own legal and other costs, ("the Award").

The amount awarded to Honeywell is 18% of the amount originally claimed.

On 19 May 2009, Sallies and Witkop requested the Federal Supreme Court of Switzerland to:

- set aside the Award which would have the effect that the case would be sent back to the Arbitral Tribunal for assessment; and
- instruct the Arbitral Tribunal to reject Honeywell's claim and approve the counterclaim of Sallies and Witkop.

During December 2009 the Federal Supreme Court of Switzerland rejected the request by Sallies and Witkop.

Sallies accounted for its own expense in relation to the proceedings as these were incurred. Full provision has been made for the USD1 243 824 Award and the interest thereon until 30 June 2009, which amounts to USD214 176 and amounts to USD245 527 as at 31 December 2009.

South African regulatory and procedural requirements must be met before payment is made.

Johannesburg

14 January 2010

Sponsor: Bridge Capital Advisors (Pty) Limited

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