

La Lucia Sands

Share Block Limited

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Co: Reg.No. 1974/001166/06

Dear Shareholder,

11th June 2008

Special levy – General meeting update

Since my circular to you on 9 May 2008, your directors have raised a special levy of R350 per share. This levy is to cover additional legal costs incurred to defend the matters instigated by Panos George Pierides. It is our intention to seek recovery of these costs, in due course. The effect of this levy is to reduce the amount of the discount that can be obtained for payment of your 1 July 2008 levy by **no later than** close of business on Thursday **31 July 2008**. Those who pay before this cut off time will still enjoy a modest discount. Please take advantage of early payment.

On 22 May 2008, Mr. Pierides delivered a requisition to the Company for the directors to call a General Meeting of shareholders. The directors had until close of business on 5 June 2008 to decide whether to convene a meeting. While scrutinising the requisition, the directors had many queries relating to the validity of certain requisitions in addition to the possible contempt of Court issues relating to calling such a meeting. A letter was addressed to the attorney of Pierides who then refused to answer the questions put to him despite being advised of a possible interdict against him if he persisted in his actions. On the afternoon of 6 June 2008, the day after the directors should have been satisfied of the validity and *bona fides* of the requisition, a reply was received. Many questions still remain unanswered, but the letter was an admission of the fatally flawed requisition. The directors' decision was the correct one to make under the circumstances. We received a further letter at close of business on 10 June 2008 from the attorney of Pierides conceding that he will start afresh to seek requisitionists. Please be careful: do not fall into his trap of contempt for the law and *mala fide* intentions to destroy the company. It is inappropriate and premature to hold a general meeting before the Court cases have been resolved and in particular before the general meeting case has been determined by the Court and before the Courts have determined the *locus standi* of the clubs. Of course, it would be preferable as well to know the outcome of the criminal case against Pierides.

If Pierides succeeds in duping sufficient shareholders to call a meeting, we shall be obliged to interdict him and the clubs. In that event, we will seek a costs order against him and the requisitionists, jointly and severally.

To so many of you who have stood with your directors against the profound breach of trust by Pierides, a very warm and appreciative thank you for your communications.

Happy holidaying!

Best wishes



P M COLLINS

Chairman

Email: pmcollins@laluciasands.com



Directors: PM Collins(Chairman), BVH Alstone, DA Manthey,
Dr RE Moraka, G Wolfe

Company Secretary: Corporate Governance CC

