

- 3 -

equipment from the United States and that the plaintiff was being investigated for alleged assault;

7.2 in a letter dated 23 January 2002 from the second defendant to the plaintiff in which the plaintiff was unjustifiably accused of sexual harassment, an allegation which the second defendant also published or caused to be published orally to other staff members of the first defendant;

7.3 in an e-mail dated 30 January 2002 addressed by the second defendant to the plaintiff, Thele Moema and Petko Atanasov in which the second defendant knowingly and without justification -

7.3.1 accused the plaintiff of participating in an "unscheduled aircraft incident" on 27 January at Johannesburg International Airport and suggested that the plaintiff had "compromised the partnership between the various players at Johannesburg International Airport".

7.3.2 insinuated that the plaintiff was being untruthful with regard to his previously published e-mail of 27 January 2002, in which he referred to a "security test";

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- 7.4 on or about 4 February 2002 the second defendant informed journalists or caused journalists to be informed that the plaintiff had been or would be suspended from duty with immediate effect to answer serious charges of misconduct against him in circumstances in which the allegations of misconduct against him were false; the defendants' aforesaid statement was published in Die Beeld newspaper on 5 February 2002, in The Star newspaper on 6 February 2002 and was repeated many times on 702 and Radio Highveld radio stations amongst others
- 7.5 in an e-mail on 9 July 2002 to Charmaine Lodewyk and the Executive Group of the first defendant:
- 7.6 in an e-mail from the second defendant dated 4 September 2002 to the plaintiff which she copied to Monwabisi Kalawe, Bongi Maseko, Dion Cloete and Mafahle Mareletse and in which she accused him of "bad planning" and treating her in a manner that was "unfair and unprofessional" as well of being in a "panic";
- 7.7 on 6 September 2002 the second defendant informed a journalist for the Sowetan Sunday World that the plaintiff was soon to be dismissed by the first defendant and that the plaintiff had hired detectives to follow and spy on the second defendant whilst the
-

- 5 -

second defendant was in the United Kingdom;

7.8 on 31 January 2003 the second defendant caused her spokesperson, Charmaine Lodewyk, to release a statement to media representatives, including the SABC, that the plaintiff had been dismissed owing to "irreconcilable differences" between the plaintiff and the first defendant, with immediate effect and that attempts to reconcile the differences had not been successful;

7.9 the statement referred to in paragraph 7.8 was released by Lodewyk to the media at the instance of the defendants and resulted in the publication (with the defendants' acquiescence) to the public at large of articles unjustifiably -

7.9.1 suggesting that the plaintiff had been responsible for a R115 million cargo heist at Johannesburg International Airport in December 2001;

7.9.2 repeating the allegations of the plaintiff's suspension for ignoring security measures during a private flight;

7.9.3 suggesting that the plaintiff was the reason for no action having been taken against the National Police Commissioner.

- 6 -

Jackie Selebi, when he told an airport official that he had a bomb in his bag; and

7.9.4 suggesting the plaintiff's involvement in the failure of security systems at Johannesburg International Airport;

7.10 the defendants' statement referred to in sub-paragraphs 7.8 and 7.9 above was published in Die Beeld newspaper on 5 February 2002, in The Star newspaper on 5 February 2002, and on the SABC website <http://www/sabcnews.com> at 18h45 on 31 January 2003;

7.11 the defendants caused to be published in The Financial Mail of 28 February 2003 an article by a journalist Shereen Singh in which it is suggested that the theft of laptop computers from the first defendant's premises at the address in paragraph 2 above was somehow related to the plaintiff

8 True copies of all relevant written publications referred to in this paragraph, where available, are annexed hereto marked "PC1" to "PC8" respectively and the plaintiff prays that the contents thereof be read as if specifically incorporated in this paragraph.

9 The defamatory statements referred to above have injured the reputation of

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the plaintiff to the extent of rendering the plaintiff unemployable by any of the numerous persons in South Africa and abroad to whom the defamatory matter of and concerning the plaintiff has been published as aforesaid.

10 In the premises, the plaintiff has suffered damages as a result of the defamation in the sum of R20 million, of which -

10.1 the sum of R2 580 000,00 is sought as general damages; and

10.2 R17 420 000,00 is sought as special damages.

A schedule is annexed marked "PC9" which reflects the manner of calculation of the special damages and the plaintiff prays that the contents thereof be read as if specifically incorporated in this paragraph.

WHEREFORE the plaintiff prays for judgment against the defendants, jointly and severally, the one paying, the other to be absolved, for -

(a) Payment of R20 000 000,00;

(b) Interest on the amount in (a) *a tempore morae*;

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(c) Costs of suit:

(d) Further, other or alternative relief.

DATED AT JOHANNESBURG THIS 13th DAY OF MARCH 2003



I MILTZ
PLAINTIFF'S COUNSEL



FRANK MUNNIK & ZULBERG
Plaintiff's Attorneys
1st Floor, Palm Grove City
196 Louis Botha Avenue
HOUGHTON ESTATE

Ref: Mr D Zulberg

PC 1



Airports Company South Africa Ltd
The Maples, Riverwoods
24 Johnson Road Bedfordview 2008
PO Box 75480 Gardenview 2047
Telephone (011) 723-1400
Facsimile (011) 453-9254

23 January 2002

Mr. P O'Sullivan
ACSA Corporate Office
P.O. Box 75480
Garden View
2047

Dear Paul,

MEETING OF FRIDAY, 18 JANUARY 2002

This letter serves to confirm the meeting held at ACSA head office on 18 January 2002 at 9:30.

The purpose of the meeting was to deal, in the first instance, with our concerns at the circumstances you presently face regarding a course of threats and related action. The actions against you are apparently a consequence of increased focus, during your tenure, on Airport Security and related matters. We confirm that we have proposed that you give consideration to taking "sabbatical" leave for a six week period, until things settle down. Such leave will be on full pay and with full benefits. In this respect, we also suggested that you may wish to use this opportunity to have your back operation.

Independently of the above we also raised with you the Company's concerns with respect to one instance of alleged sexual harassment. This allegation was raised with the Company and is presently being investigated. We also raised and discussed your use of a polygraph during a recent investigation at Durban Airport, and the need for such action to follow proper procedure.

These issues are serious, but are viewed as matters entirely separate from the circumstances you presently face with regard to the threatening conduct. We are continuing with our own investigations into these matters, but as indicated to you in our meeting, we felt it appropriate that allegations of this nature once raised must be addressed and investigated.

Regards

MONHLA HLAHLA
MANAGING DIRECTOR

PC2

Paul O'Sullivan

From: Monhla Hlahla
Sent: 30 January 2002 10:28 AM
To: Thele Moema; Paul O'Sullivan; Petko Atanasov
Cc: Rishi Thakurdi; Robina Dunn; Juliana Morudu; Dino
Subject: Alleged Security Test at JIA.

I have been informed of an 'Unscheduled aircraft' incident that took place on 27 January at 11h40. The details of this incident are outlined in a memorandum from Ray Ncube to Paul, Andre and Petko.

Please provide me the following written reports by noon Thursday, 31 January:

Thele: A detailed report on the incident, including responses of our partners (police, intelligence, etc., JOCOM
(?)
Paul: Your personal report on what you did, how you sought permission etc.,
Petko: Your personal report on what you did, how you sought permission etc.,

Let me also inform you that our legal department is formulating a response from ACSA to both the CAA and the Police on the following:

1. Was the incident Authorised? If authorised, please provide all necessary documentation and background information including how you secured all equipment including aircraft.
2. Can ACSA staff members conduct a test of this nature?
3. Were Paul O'Sullivan and Petko Atanasov within the procedures of the company?
4. What is ACSA's audit procedure OR self-testing protocol?

I will also attempt to answer the following question about our future partnership with the various players at JIA: ACSA has a joint operation with various parties at the airports. How does ACSA explain this incident in the context of this new and stronger partnership?

Please put everything you want to tell me in writing, and I will determine whether or not to call you for further clarification.

Thanking you in advance.

Monhla

Robina: Please ensure that I receive the reports by Noon tomorrow.

2002/01/31

PC 3



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Star

2002/02/06

Page: 3

Two top airports company officials suspended

By Baldwin Ndaba

Two senior officials of the Airports Company of South Africa (Acsa) have been suspended. Paul O'Sullivan, Acsa's group executive aviation security manager, and Petko Atanassov, the aviation services manager for national airports, were yesterday suspended with full pay following allegations that they flouted traffic aviation regulations at Johannesburg International Airport earlier this year.

Both men were suspended for allegedly flying an unscheduled private aircraft from Lanseria Airport to Johannesburg International. Acsa spokesperson Charmaine Lodewyk confirmed the suspension of the two officials yesterday. She said the incident for which they were suspended took place on January 27.

The Star understands that the aircraft involved belongs to O'Sullivan and the passengers were Atanassov and his 7-year-old daughter. Atanassov is also being probed for allegedly bringing his daughter into the airport's security area without the proper security permits. This is an internal matter. An internal auditing team is currently compiling evidence and we expect that the findings will be completed by the end of this week, Lodewyk said.

O'Sullivan was appointed to his position about a year ago. The investigation into the two men's activities comes just weeks after a new security plan was launched to tighten security at all national airports around the country.

PC 4

Paul O'Sullivan

From: Monhla Hlahla
Sent: 09 July 2002 10:45 AM
To: Paul O'Sullivan; Charmaine Lodewyk
Cc: Exec Group (Corporate Office)
Subject: RE: SAPS Screening

It is with a deep sense of regret that I write you this email. I avoided it for a significant number of hours, only to realise that it is my issue and no one else's. In fact, I am very very sad and embarrassed with the correspondence you all received from Paul O'Sullivan regarding SAPS Screening. Please accept my apology in advance.

Here are a few comments from me:

1. "Distribution of Mr Van Jaarsveld's letter"

An ACSA Executive has circulated a letter of correspondence between the CAA and SAA to all of us. It would be interesting to find out how we were given permission to circulate it. As far as I can tell, the only other institution with rights to the letter is AASA. Please note that the letter on your screen is on an SAA letter head, and ACSA is not featured anywhere in the correspondence.

To EXCO: Do not distribute this letter any further to anyone in or outside of ACSA.

2. "The Intention of Mr Van Jaarsveld's Letter"

While I do not want you to respond to this letter, I want you to be aware that it is within SAA's rights to request a hearing with the CAA, so that they can make input into the procedure. I am sure that the CAA, in its role as regulator and custodian of setting of security standards, security and safety, will give full attention to the matter.

I have requested the CAA to find the best possible fit for everyone, airlines, ACSA, SAPS, NIA etc., to ensure sustainability of our business. I have no doubt that a solution will be reached.

3. "The Intention of Paul O'Sullivan's Letter"

The intention of Paul's email to Charmaine was clearly to request her to write a story and publish it in the media. The content of the story would be around the following:

1. That Paul had no knowledge of the meeting and had no part with the protocol 2. That SAA is right, and Bongani Maseko, and the CAA are wrong, hence the comment that 'this flies in the face of world standards'. 3. The threat of a strike if the Commissioner does not revoke the 'directive' 4. All in all, I do believe that the story would be about good Paul and bad Bongani. I don't know what else would be said about the Commissioners of Police and the CAA.

Unfortunately, all of us had to be drawn into this story under the banner of Exco. I believe that Paul wanted to ensure that we all know that he is not part of this.

4 The role of Bongani Maseko is the protocol

Paul O'Sullivan is aware that Bongani represented Monhla in a meeting called by the CAA to discuss the Commissioner of Police's request in this regard. The meeting was to be attended by the Commissioner of the CAA, the MD of ACSA and the Commissioner of the SAPS. I requested Bongani to represent me because I had other arrangements.

I am therefore, the right person for Paul to embarrass or shame, and not Bongani. Even worse, my decisions are ACSA's decisions. You are all, but Paul (as he so wishes), a part of my decision.

To make you feel better, I believe that Bongani dealt with the discussions professionally and represented ACSA well. At the end of the day, it is the CAA's prerogative to set security standards, after drawing input from all key stakeholders

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I am therefore, the right person for Paul to embarrass or shame, and not Bongani. Even worse, my decisions are ACSA's decisions. You are all, but Paul (as he so wishes), a part of my decision.

To make you feel better, I believe that Bongani dealt with the discussions professionally and represented ACSA well. At the end of the day, it is the CAA's prerogative to set security standards, after drawing input from all key stakeholders

including the SAA and ACSA.

5. "The Story to be written by Charmaine"

... Therefore, there is no story for the public. I am sure that the CAA and SAA or the airlines will find a compromise.

I have already spoken to the CAA and they will accommodate SAA. This is a country security issue after all, and I am sure that all institutions involved in the matter will find a solution.

In conclusion: I apologise in advance that you were all dragged into this issue.

I also want to apologise in advance to Bongani who is unfortunately also dragged into the matter because I was not available to attend the discussion with the Commissioner of Police.

I do not want you to respond to my email unless you have to. Take this as my decision and the ACSA approach to the matter. We will facilitate a partnership approach to resolving the matter, instead of a media solution.

I am sure that Paul and I will take this up in our meeting.

thank you in advance.

Monhla

-----Original Message-----

From: Paul O'Sullivan

Sent: 08 July 2002 01:18

To: Charmaine Lodewyk

Cc: Exec Group (Corporate Office)

Subject: FW: SAPS Screening

Hi Charmaine,

Thought you had better see this.

The Senior ACSA staffer referred to was Bongani.

I had no knowledge of the meeting and had no part in it. Its worth noting that:-

1. What they say in their letter is completely right and flies in the face of world standards. We are very exposed here.

2. I have heard that if the Commissioner does not revoke the directive they (ALPA) intend embarking on industrial action, around the time of WSSD.

I think we should prepare our story, as this one may cause ACSA a degree of embarrassment if it gets out, or if industrial action is commenced.

I've copied the other execs, so that they know what is cooking, if they hear anything.

Regards,

Paul

PC 5

-----Original Message-----

From: Monhla Hlahla

Sent: 04 September 2002 11:22

To: Paul O'Sullivan

Cc: Monwabisi Kalawe; Bongzi Maseko; Deon Cloete; Mafahle Mareletse

Subject: RE: X-RAY MACHINES AND AMD PROJECT

First of all, you have not given me an update on the project, together with a spread sheet setting out the costs against budget. You delivered them to my office yesterday, so that I can review them. I have not reviewed them as yet.

Second, I have not instructed you that the trip is Okay.

Third: I have not received your memo, unless it is part of the document in my In-basket.

Fourth: I regard your final confirmation as a threat to me that you hold me responsible for the delay in the delivery of the X-ray Machines.

What all this shows is bad planning on your part. You have waited until the last minute to get me to stop everything I am doing to review your documents. This is unfair and unprofessional. This process has been going on for many many months, and although some of the delays were justified, I am sure that I am not responsible for your current panic

Please note that I will only be able to review anything that you placed in the In-basket by this afternoon.

Inform the GMs accordingly.

Monhla

POS

Memorandum

To: Monhla Hlahla
From: Paul O'Sullivan
Date: 2002/09/03
Re: REPLACEMENT X-RAY MACHINES AND AMD'S PROJECT

Hi Monhla,

Just wanted to bring you up to date on this project.

The equipment has all been ordered and we have obtained leverage from the bulk purchase and also from the forward cover on the Rand/Dollar.

We have taken that leverage and used it to make this project a global first. I have been able to obtain the UK TIP library free of charge (it cost over a million pounds to develop).

The project team consists of the Security Managers and myself and Theunis Chamberlain from JIA is going to project manage the technical aspects of the project.

Please refer to the attached spread sheet, detailing the aspects of the project and the savings and additional costs for the networking of the project.

Here is a summary of the additional benefits we obtain from the use of the bulk purchase discounts and forward cover savings:-

1. This will enable real time management of the passenger screening process, from a central control room. Resources would be able to be re-directed during peak periods, thereby enhancing customer service.
2. The networked system will enable operational managers to identify bottlenecks, slow or poorly performing staff members and post investigation of incidents.
3. Having the AMD's equipped with photo cells and networked will enable us to determine efficiencies around the operations side of screening. For example we will be able to determine, point by point, peak periods, passengers per hour against bags per hour, therefore bags per passenger. Coupled with flight information, this will enable computation of dwell times in the retail areas, which will be a valuable marketing tool for the retail guys.
4. The introduction of the Threat Image Projection will improve poor operator performance (such as the recent CAA exercise) and will enable us to set targets and monitor performance like we have never been able to do in the past. We will therefore be able to take corrective steps with poor performers and reward good performers.



September 3, 2002

The delivery schedule indicates delivery at the beginning of January. This is an important date as we only have forward cover to mid January. If we fail to meet the delivery dates, it will cost us about R600,000.00 to replace the forward cover. (This figure is an estimate, it could be more or less, depending on the exchange rate prevailing).

Theunis Chamberlain and myself have to sit down with the manufacturers to finalise

1. The customising of the reporting software to achieve our required outputs.
2. The configuration of the network and cabling.
3. The training software and the order of delivery and distribution of the 24 machines.
4. We also need to understand the exact system configuration so that we set it up properly prior to delivery.

The deadline set is end of September and in July I scheduled a visit for Theunis and myself to visit the manufacturer in the US and undergo product familiarisation as well as the above.

You and I discussed this at the end of June and I pointed out to you that the cost of our trip, not to exceed R100,000 would be financed out of the project savings. The attached spread sheet confirms this is so. You required me to get the project signed off by the GM's, which I confirm I have done.

The project has been signed off by Bongani, MK, Mafahle and Deon. In addition all the security managers and AGM's have been fully briefed on the project and are happy. If you wish to see the sign off e-mails I will be happy to let you have a copy.

I have finalised the arrangements and am just waiting your approval to the trip so that the tickets can be issued.

If you require any further information, please do hesitate to ask.

Please approve the trip as a matter of urgency, so that final arrangements can be made.

Regards,



Paul O'Sullivan