
VALUREX INTERNATIONAL S.A.
INTEROFFICE MEMORANDUM

TO: FILE
FROM: MARK CLIFF
SUBJECT: BAE MEETING 13/5/05
DATE: 5/8/2007
CC: [CLICK HERE AND TYPE NAME]

I had a meeting with Neils Peterson and David White to discuss whether any help could be given to distributing \$10m to a South African individual sometime between July - September 2005. Funds could be routed between Dubai, Hong Kong, Mauritius or a Geneva based fiduciary - Privexia (12 Rue Ani Lullin). I indicated that a cross Geneva transaction in Euro's or CHF may be possible but a discussion with EKB would be required.

Neils wanted to know what it might cost - I indicated that it would be anything from 10-30% but almost certainly above 20% as only the most straightforward transactions are undertaken at 10% margin. Therefore costing would be between \$11.1m and \$14.2m. with a 20% margin costing \$12.5m. He indicated that his other option was to pay in country (39% tax rate).

Additional compensation could be given for the Bulgarian and Romanian contracts for additional support services. It was agreed that a sum of \$5m could easily be justified in this area. We would liaise with MPA to ensure additional reporting was generated to justify the fee. Current discussions re converting leases to purchases and complex issues on the Mi programmes would substantiate.

DW indicated that the programme to convert lease on existing Grippens stood a realistic chance and that it was possible that a purchase of a further 14 aircraft was in discussion at a cost of some \$500 - \$700m. The same was likely in the Czech Republic. Slovakia, Bulgaria and Romania were all still considering options with Eurofighter and US F 16's being pushed hard. Grippen may be more likely if Hungary and Czech influence is bought to bear.

From: Mark Cliff [mark@cliff.tc]
Sent: 19 October 2005 15:21
To: 'etienne.kissborlase'
Subject: RE: Valurex
Attachments: 051014 Valurex Geneva Prevexia agreement.pdf

Dear Etienne

Many thanks - I will let her know.

Neils reviewed the attached agreement and said he was happy with the contents and the proposed payment schedule. As far as he was concerned it was fine for signature with Prevexia. He will endeavor to get the report ASAP but felt that the outline services that I have included are acceptable.

From the due diligence standpoint the Ultimate Beneficial Owner is Fana Hlongwane, a South African advocate who was on the board of Denel and an advisor to the Minister of Defence until some 5 years ago. I have run a quick check and no adverse reports come back on him. Throughout the period that BAE have had a relationship with him he has not been in either position and has just had his own consultancy practice. If I can help to complete the due diligence forms please let me know.

I have incidentally paid the Averton bill today

Best regards

Mark Cliff

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GU29 9NJ

From: etienne.kissborlase [mailto:etienne.kissborlase@duchosalrff.ch]
Sent: 19 October 2005 13:33
To: Mark Cliff (E-mail)
Subject: Valurex

Dear Mark,

For your information, I have signed the agreements and sent them back to Beth.

Best regards
Etienne

PRIVEXIA GENEVE S.A.

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