

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON  
THURSDAY, 22<sup>ND</sup> NOVEMBER, 2007.

CASE REFERENCE RLI02

TAPE 1 OF A BATCH OF 5

PERSON BEING INTERVIEWED: MR STUART MCINTYRE

PERSONS PRESENT:

MS LYDIA JONSON	-	SERIOUS FRAUD OFFICE
MS BRENDA SMITHWHITE	-	SERIOUS FRAUD OFFICE
MS PATRICIA REIDY	-	SERIOUS FRAUD OFFICE
MR STEPHEN BARKER	-	SOLICITOR

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P REIDY: This interview is being tape recorded. The time by my watch is 9.53 on Thursday the 22<sup>nd</sup> of November, 2007. We are in interview room two at the Serious Fraud Office. I am Patricia Reidy, assistant investigator and assisting in investigating the affairs of BAE Systems Plc, Red Diamond Trading Limited and others. I am interviewing Mr McIntyre who is accompanied by his solicitor Mr Barker and I'm going to ask each of them to identify themselves by giving us their full name, address and date of birth to assist in voice identification. Mr McIntyre?

S MCINTYRE: Stuart McIntyre, 28 Beech Lane, Grayshott,

RLI392

CHECKED

Surrey. Date of birth 4<sup>th</sup> of February, 1966.

S BARKER: Stephen Barker, Barker Gillette Solicitors, 11-12 Wigmore Place, London W1.

P REIDY: Also present are my colleagues-

B SMITHWHITE: Brenda Smithwhite, investigator, Serious Fraud Office.

L JONSON: Lydia Jonson, counsel, 18 Red Lion Court instructed by the Serious Fraud Office.

P REIDY: Mr McIntyre, can you please confirm that you have received a copy of the Section 2 notice today in respect of BAE Systems Plc, Red Diamond Trading Limited and others?

S MCINTYRE: Yes I have.

P REIDY: I was going to say did you understand that notice? You haven't had time to read it, have you?

S MCINTYRE: I do understand the notice.

P REIDY: During this interview, Mr McIntyre, you will be asked to provide information to assist in this investigation into suspected serious or complex fraud. You have been required to answer questions on various information under Section 2 of the Criminal Justice Act, 1987. You may be prosecuted if, without reasonable excuse, you fail to comply with this requirement or if you knowingly or recklessly make a statement which is false or misleading in the material particular.

Any statement you make under this requirement may only be used in evidence against you in a prosecution for failing to answer questions or

for giving false or misleading information. If you are prosecuted in respect of another offence, then any statement you make in response to this requirement will not be used against you by the prosecution unless you, yourself, introduce it into the proceedings.

I am handing Mr McIntyre a copy of the guidance notes. Please can you take a couple of minutes to read it.

**(Pause)**

S BARKER: You know what that says, don't you?

S MCINTYRE: I do indeed, yeah. Let me just read through it.

**(Pause)**

S MCINTYRE: Yeah, I've read that. Thank you.

L JONSON: Okay, just as an introduction, we're investigating allegations that corrupt payments have been made to South African public officials via the use of agents also known as consultants or advisors by BAE to secure the Hawk Gripen contract which forms just one part of these strategic defence procurement package.

We would like to question you about the contract that was eventually signed, firstly in relation to your knowledge of how the contract was won and your personal involvement in that, and secondly your knowledge of the involvement of other BAE personnel who were involved either based here in the UK or in South Africa. Thirdly, your knowledge and involvement in the appointment and subsequent amendment or renewals of agents and their agreements and then finally

your knowledge of the involvement of any other person within that campaign.

We're going to break it down at some point into various time periods to make it easier for you because obviously it was a reasonably long-running campaign.

S MCINTYRE:

Yeah.

L JONSON:

But I think to start with, I'll let Brenda start. She's going to ask you some questions really about your background.

S MCINTYRE:

Okay.

B SMITHWHITE:

Thank you. Can we start off with your background and if you could take us through your CV, either since leaving school or university and just run through it quite quickly?

S MCINTYRE:

Yeah, well I went to Glasgow University doing aeronautical engineering. My family had been in aviation you know for many, for two generations so you know it was a natural thing because my dad did aeronautical engineering at Glasgow as well. And I joined, after that, I joined a company called Caledonian Air Motive which was an aero-engine over haul facility at Prestwick in Scotland. I then joined, was there for two years. I then joined British Aerospace Regional Aircraft which was a, which was the manufacturing facility based at Prestwick formerly Scottish Aviation. I started there as a market analyst, I'd been a market analyst at Caledonian Air Motive as well so I got involved in all of, you know, the marketing and sales

campaign-type work in the regional aircraft environment there.

We got involved in some strategic alliance deals with the Italians and French. So the business in Prestwick was then merged into what was then the AIR joint venture with Aerospaceana Millennia [Undistinguishable], and at that point I moved down to Farnborough working with Allan Macdonald who had been the MD at Prestwick to start to work on this South African campaign.

The last regional aircraft deal I'd been involved in at Prestwick had been a campaign to sell of Jetstream 41 aircraft to South African Air Link in South Africa. So I made the first trip down there on that deal. My role in that was sort of do all the airline analysis and economic modelling and so on that underpinned the airline's decision to buy our aeroplane rather than anybody else's.

So I basically moved up to Farnborough at that point. That was early, early 1994 I recall. I then, I basically worked on a campaign, a sort of very early marketing campaign in South Africa between then and early 1996, mid-1996. So I moved to South Africa in, I think, August, 1996 with my wife and that was late 1994, I started working on the regional aircraft company just so we get the dates right.

S BARKER: But you've told me February, 1995?

S MCINTYRE: No, February 1995 is when I moved to Farnborough, sorry, not 1994.

S BARKER: Right, okay.

S MCINTYRE: I first visited South Africa I think in November, 1994 which was on the SA air link campaign and then in, sorry, on 1<sup>st</sup> of August, 1996, I moved there and basically worked through the campaign. I think the contract was finally signed at the end of 1999 and then in 2000, end of 2000, I sort of took over the sort of regional, sort of country management-type role. I mean it was a very diverse sort of activity at that stage with lots of off-set things being implemented and there was a lot of media activity going on and so on.

My contract finally sort of expired at the sort of end of 2003 and came back from South Africa December 2003. The guy who replaced me I think had come in during the middle of that year and I went to work at the Portsmouth Naval Base for a couple of years, year and a half.

B SMITHWHITE: Was that with BAE?

S MCINTYRE: Well, I was still employed with BAE but working with the VT, BAE joint venture fleet support limited which operates in the naval base and so I moved there as head of strategy but then also took on the sort of sales and marketing role and the general naval base corporate communications and that side of things.

Then I left there in the middle of 2005. I left BAE to join this small medical device company and I've been in that environment since. So that's my sort of plotted history.

B SMITHWHITE: When you moved from Scotland down to Farnborough, did you apply for that job or were you recruited internally?

S MCINTYRE: Well, what was happening at that time was that they were, BAE was sort of looking at how it went about its sort of global marketing and there'd been a, I think, at that stage, there was a marketing department, but the, it was being experimented that they should have somebody like a sort of managing director level whatever that is in the company looking after you know major foreign export campaigns. Then that would bring a greater degree of diligence and thoroughness to the process.

And on Sir Allan Macdonald's appointment, this was, I wasn't involved with any of the discussions that Alan had had, but this was my understanding at the time, Allan Macdonald's appointment to run the sort of South African campaign or the you know the South African campaign at that stage was a sort of first toe in the water to this concept of marketing and that then became embodied in what then became the international marketing and sales organisation where I think there were three or four marketing MDs appointed to look after various parts of the world.

I can't remember exactly when that became formalised but I think it would have been you know late 2006, that sort of time, probably not inconsistent with when I went down there

actually.

B SMITHWHITE: Would that be late 1996 because you said-

S MCINTYRE: February late 1996, what did I say?

B SMITHWHITE: Late 2006.

S MCINTYRE: Yeah, late 1996, it would be late 1996 or so probably.

B SMITHWHITE: Yeah, yeah.

S MCINTYRE: when that was, I can't remember all the details, but that was from what I recall. So was I appointed or had I applied for that role?

B SMITHWHITE: Hmm.

S MCINTYRE: Allan Macdonald was being asked to do it. At Prestwick, there was a big sort of sort out of who was going to go to Toulouse and he was going to go elsewhere in BAE and frankly who was going to be made redundant. So I was sort of invited to you know I was offered that opportunity as part of that you know that sort of corporate you know who goes where sort of activity and I was happy to accept. I didn't actually move to Farnborough. I actually commuted for about a year and a half.

B SMITHWHITE: Okay. And at that time, what was your job title?

S MCINTYRE: The job title when I moved to Farnborough was director of regional market strategy I think or something along those lines. I think, I mean, when I was out there in the first year, there was hardly any job title at all but that was, you know, the job or job title that it was given at the time.

B SMITHWHITE: And did you have different job titles throughout



your remaining time in BAE?

S MCINTYRE: Well, when I was in South Africa in our sort of BAE international branch office there, then my job title was you know was just at BAE regional director, which was the sort of standard business card title that was given to, you know, to position you in your interface with other, you know, with other people in the market. So I was, my formal letter of appointment said director of regional marketing strategy. My business card said regional director and I think in 2001, 2000, when I was formally, when Niall Irving left and I sort of formally took over the sort of continuity position, if that's the right phrase. Then I think I became **executive director of South Africa** but again you know the titles were just, it was just a thing on the business card to allow you to interface so you know-

B SMITHWHITE: And can you take us through your reporting structure from when you took over this position working out of Farnborough?

S MCINTYRE: Well, when I moved to Farnborough, I reported directly to Allan Macdonald. When I moved to South, I think **Niall Irving** was appointed if the memory serves, about February, March 1996 having been recruited out of the air force and so he was also appointed down at the same time as me for South Africa. So I then reported through Niall and Niall reported to Allan. So that was then my reporting structure and Allan, I'm not

sure exactly what his direct reporting line was but it was, he certainly liaised closely with Mike Rouse. I think he was the marketing director at the time. He had this sort of parallel organisation for a period and then he would have reported into the board of the, through whatever, I'm not sure exactly which board member he formally reported to but you know he was one of the MDs reporting to the board.

B SMITHWHITE: And after Niall left, who did you report to?

S MCINTYRE: When Niall left, well, when Niall left I reported to Nick Franks who was the guy who was appointed to sort of look after the South African affairs of the company when Kevin Smith left and this was right at the cusp of the sort of BAE system or British Aerospace Marconi merger and you know when there was a lot of you know, a lot of sort of turbulence in the organisational structure, but Allan had left in the beginning of 1999 and Kevin Smith had come in, well, we didn't know at that time, but it turned out to be just a year's worth of role concluded the contracts and then left himself at which point Nick Franks was in charge. I think Niall reported to Nick for about six months before Niall was, moved on to, I think he was working in Chile and other marketing campaigns. Up to that point, I reported to Nick who I think reported into Chris Geoghehan I think formally at that stage.

B SMITHWHITE: Did you ever have anybody reporting to you in South Africa?

S MCINTYRE: Well, it's a good question, that. The answer is no, not really. I mean, other than the secretaries in the office, I had this sort of office management role at that stage. Up until then, not at all, but after 2001, I had a sort of office management role and we had two offices. There was a NIP office which was run initially by a Swede. I can't remember the guy's name, but then by Bernard Collier from about early 2001.

So the first, the first year of the delivery phase of the project, the NIP office was run by, it was set up actually and run by this Swede, Magnus Carlsburg might be the name. I can't remember. He was ex-Electrolux or something. Anyway, so he ran the NIP office for the first year and then Bernard came in working directly to Nick Franks on the NIP site.

So he ran the office in, it was by that time in Four Ways which is on the north side on Jobo and our sort of main sort of marketing office if you like was still in Pretoria and so I ran basically the office in Pretoria. So I had the you know the basic administrative staff there working for me. The military aircraft people had a project manager in-country and that was Tom Parkinson. So he reported into the military aircraft structure. We were negotiating this strategic partnership with DENEL and in that

regard, I had a team of various specialists who were appointed at the centre to come down, basically appointed by Nick, to support that process and so I played the project management role in that regard, but you know I wasn't involved in their appraisals or anything. It was just a team of specialists. We had a, you know, former Marconi finance director, we had a manufacturing operations sort of specialist. He used to run the Warton facility.

L JONSON: Sorry, was this before or after the contract was in effect?

S MCINTYRE: This was about two years after, a year and a half after, yeah. This was in, I think they all came down sort of end of 2000, beginning of 2001 when we started to do the first sort of main due diligence on DENEL and we were starting, we basically had to make a proposal to the government in that regard and so we'd sort of signed a MOU previously. Well we'd actually signed two MOUs before that, but then this was the first really serious engagement where we asked to put a puzzle together and so we did an exploratory due diligence to really understand what was going on in DENEL, what the real detailed issues, operational issues were and put that together as a formal proposal which they then went and, you know, considered for a few months in 2001, 2002, late 2001 and so that team had come down to sort of start that due diligence. And then when that was, when that

proposal was sort of agreed, they then supported the negotiations and there was lots of other sort of marketing activities that were going on as part of that sort of growing relationship and so they supported those in various ways.

I mean I had a guy down from an ex-Royal Ordinance for example David Saul who was interfacing with all the guys at DENEL Ordinance, sort of various marketing campaigns that DENEL were engaged in that were a part of the transaction that you know BAE was you know sort of supporting in other countries as part of the goodwill of that relationship.

So, you know, it was, but none of those guys really reported to me in a formal sort of line management sort of way.

B SMITHWHITE: Okay, if we can focus on when you first went to South Africa, when you relocated out there in August, 1996, did you have a handover or familiarisation programme set up?

S MCINTYRE: Well, no. I mean I think the, you know, I'd have travelled to South Africa from the UK through the previous 18 months when I was working out of Farnborough so when I moved down there I already, I was already sort of well acquainted with the country.

B SMITHWHITE: How many trips had you made prior to locating?

S MCINTYRE: Lots, lots. I can't, probably about 20 or 25, something like that, lots, because that was my job.

B SMITHWHITE: And who was out there at that time?

S MCINTYRE: I recall, there was a guy called Robbie Roberts who was out there and he was I think the only sort of BAE person that was out there and then there was Richard Charter who had been, well, he was the advisor who helped on the SAL campaign and so we were, you know, we were interfacing with him. He was the main, main person I dealt with.

L JONSON: Sorry, can I pause you there?

S MCINTYRE: Yeah.

L JONSON: Is this when you were, when you went to live in South Africa or was this in the 18 months when you travelled?

S MCINTYRE: No, this was in the 18 months. I first met Richard Charter because he was you know he was the guy who was our advisor on this South African air link Jetstream 41 campaign so I already knew Richard and he had a chap working for him called Noel Potter, who was ex-DENEL, you know aerospace. And so those were the guys that I predominantly worked with on the ground in terms of the early parts of our sort of marketing strategy and so on. It was really what we were trying to do, you know, what is it that we need to do to you know to become a supplier in this country?

B SMITHWHITE: What was Robbie Roberts' job at that time?

S MCINTYRE: Well, he was, I think he was appointed by the again, I'm not aware exactly of the details of his appointment, but my understanding was that he was appointed by the sort of other marketing

structure that was basically looking at this possible military aircraft sale at that stage and I think there'd been a bit of an on-off sort of requirement within the South African air force for a jet trainer and so he had been there you know tracking that opportunity.

B SMITHWHITE: Do you know who he would have reported to?

S MCINTYRE: I think he would have reported to Mike Rouse if my, if I'm right in saying Mike Rouse was a marketing director at the time, but I think he was reporting through the formal structure for the marketing structure. So he had this sort of, he had this sort of Alan McDonald marketing MD, new marketing organisational concept, almost being put in parallel with you know the existing sort of previous marketing structure. And Robbie Roberts was the guy who, was the guy on the ground at that stage. I think he'd already retired once, just come back in, couple of years basis or something.

B SMITHWHITE: If we look at your 18 months going out there some times, what type of things were you doing in that 18 months?

S MCINTYRE: The main things we were doing in that 18 months, I mean when we first arrived there, it was very clear that British Aerospace was not a well-understood entity, wasn't, I mean, you would get comments from people you spoke to whether it was in government or, predominantly if you were with people in government, they would say, 'Oh you're the airline that flies into Jobo'. So there was

a big confusion between British Aerospace and British Airways and that was a very early sort of stimulus to say you know we need to get better known as a company and so our strategy in those early days, quite consistently all the way through, was you know, was to make sure that we could not be criticised as not being a good corporate citizen of you know in South Africa and you know just as you know just as any major sort of strategic supplier in any country you know has a you know has to have a you know proper foundation corporately. So did we and so a lot of the work that we were doing in that early period was around what we called our good corporate citizenship campaign and that was really what I focused on and so we got involved in a whole variety of activities.

We had a thing with the UK sports council which was to build a multi-purpose sports facility in Utenhague in the Eastern Cape which is a project I ran and there was also a thing going with the Airborne Trust which is a sort of UK organisation that was sort of involved with rehabilitating young offenders in Scotland who were looking at whether they could you know offer a similar type of service to former freedom fighters in South Africa. So, you had these, you know-

So you know we were looking at whether we could do that and we ended up, that project ended up becoming the, a project with the NC military,



the MKMVA MK Military Veterans Association to build a sort of agri-industrial business park in Orange Farm which was another project and there were a variety of sort of minor, more minor projects where we would you know get involved and try and make something relevant happen as part of this you know corporate citizenship initiative.

So, during that 18 months period largely that was my focus and you know on this Utenhague project, the sports facility project Allan just said you know, 'You run that', and I was happy to do that. So that was the main thing and then of course in the course of that, you're also you know trying to understand generally you know how South Africa works, what the, what the requirements were and you know sort of try to build one's awareness of the market and the market's awareness of us.

L JONSON: Where did you work from when you were down there?

S MCINTYRE: I worked from Farnborough from Lancaster House.

L JONSON: Yes, sorry, no, when you travelled to South Africa in 1989?

S MCINTYRE: Sandton Sun and Towers

L JONSON: oh, the hotel?

L JONSON: Okay.

S MCINTYRE: We had a very long relationship with another company. They earned a huge amount of money from us, but that was, but in those days that was where we worked from.

L JONSON: You didn't work from Osprey.

S MCINTYRE: Well, I would visit Osprey often because a lot of my interfaces were with you know Richard Charter and Noel Potter, so I didn't work from there but I did visit there a lot.

B SMITHWHITE: You mentioned that Richard Charter and Robbie Roberts were around at the time. Was anybody else around?

S MCINTYRE: I don't recall many other people around at that stage. The, I mean, those were the main guys I saw. At the odd meeting, there would be one or two other players. I know that there was a guy Trevor Wilmans from ACS was around once or twice from that period. I remember we had a couple of meetings as Osprey on general sort of you know marketing strategies where they attended, so, but other than them there was no other real participation in the campaign.

B SMITHWHITE: Do you recall who introduced you to Trevor Wilmans?

S MCINTYRE: No. I mean I will have been at Osprey for the meeting and he'll have walked in the room.

B SMITHWHITE: Okay.

S MCINTYRE: I never had any real dealings with him anyway at any time.

L JONSON: Right. Did you know what his background was?

S MCINTYRE: No idea and you know as I say I just didn't have any dealings with these guys. They attended a few meetings I was at, seemed very professional, seemed to know their, you know, seemed to know what was going on and understood the way the

business worked. They were just you know sort of professional organisation as far as I could see.

L JONSON: Who did deal with them in your time?

S MCINTYRE: When I was there on the ground, I think Niall had most the interactions with those people. I'm not certain to what extent Allan did.

L JONSON: What about Kevin Smith?

S MCINTYRE: Oh he was there a year. I mean, he would have had you know whatever you know dealings with him but the I don't know, I wasn't involved in any with Kevin that I recall anyway.

B SMITHWHITE: Okay. In this 18 months time span, was there any input from DESO, part of the ministry of defence?

S MCINTYRE: Yeah, I mean I think DESO, I mean, the whole process of marketing in you know with in British Aerospace was quite closely aligned with DESO all the time. So, we would often meet with Keith Norris in, who is the guy, and there was Nigel Fisher who actually ultimately ended up going down to South Africa working and he worked at a high commission, I think, and then I actually believe BAE then appointed him for their NIP team or somewhere like that. So, yeah, I mean we interfaced with DESO a lot and the, you know, there was clearly lots of other marketing going on, you know GC Marconi were marketing Corvettes for that down there. I think DESO themselves were marketing up all the submarines to the South Africans, ex-UK stock.

So there were lots, you know, there was an awful lot of activity you know in the new South Africa, looking at their defence requirements and so on. So, yeah, we interfaced with DESO a lot and either here in South Africa because they were down there a lot too.

B SMITHWHITE: And also in this 18 months, how much contact did you have with, for example, the South African air force or Ministry of Defence.

S MCINTYRE: The air force not very much. There wasn't, at that stage, there wasn't a formal requirement being prosecuted by Armscor or the air force in those very early days and clearly there had been an on-off campaign and there was clearly a requirement there, but there wasn't a formal procurement process under way at that stage. I think, actually, I just, there might have been an RFI a request for information that had been issued, it's just coming back to me, I think there was a formal RFI that was issued early that then had been stopped like in 1993, 1994 that had then been stopped. There'd certainly been a corvette campaign under way that had been sort of terminated in 1994 after the elections as the government had sort of stopped you know changed and the new government was taking stock of the situation, but I don't recall having a great deal of interface with the air force during that 18 month period at all. I mean we would have had a few meetings. I mean, I imagine Allan would have met with the head of

the air force and he certainly had meetings with people in government and there would have been general discussion on requirements you know and the sort of things that were, you know, the sort of issues that the government wanted to address in these procurements and the sorts of things they were playing with but I don't recall having any significant interface with the air force at that stage.

B SMITHWHITE: You mentioned the initiative with the MKVA?

S MCINTYRE: Yeah.

B SMITHWHITE: Was anybody else involved in that at that time?

S MCINTYRE: Well at the time, well the MKVA one we ended up, we were working with the Airborne Trust which had been, which was an organisation that had been set up in the UK. There was a chap, Alan Curtis, who had been involved with that and I think what they, and I think what they had done was they set up a sort of local South African activity and something that Richard Charter was involved with in some way and Ron Haywood potentially as well. I'm just, my memory is a bit unclear, I wasn't involved you know in the issues associated with that entity. So-

B SMITHWHITE: Any questions on that 18 months?

L JONSON: Did you see Alan Curtis in other capacity apart from your work with the Airborne Trust?

S MCINTYRE: No.

L JONSON: And how many times did you see him in relation to the Airborne Trust?

S MCINTYRE: I don't recall, maybe half a dozen times, maybe

10 times, I'm not sure, that sort of-

B SMITHWHITE: Ok, If we can move on to the next timeframe which we'll take from August 1996 from when you moved out there through to down select in October 1998?

S MCINTYRE: Yeah.

B SMITHWHITE: Yeah? And if we can look at your role at that time, what would have been a typical week for you?

S MCINTYRE: Crikey, It's kind of, that's a difficult question because I don't think you know I don't think there was ever a typical week in a sense.

B SMITHWHITE: Yeah, or what would your typical role be at that time?

S MCINTYRE: I mean, you know, when I went down there I think you know as the campaign gathered momentum, my role changed to suit the you know the things that we were having to do as part of that campaign. I mean, you know, it's probably fair to characterise that a continual stage of my activity was just about you know maintaining good relationships with people because you know a main point of our activity was you know being in touch with what was going on and that meant you know interfacing with people, Armscor, interfacing with people in the air force, interfacing with people in industry which was predominantly my focus, and you know and maintaining good relationships and of course through that community, you know, you would pick up a lot of intelligence.

You'd hear what other people were doing, I mean, picture you know there was GC Marconi Marketing, we had Deuche Aerospace Marketing, we had DESO were down. There was a lot of things going on you know in and amongst the defence industry and the air force and all the other places so you know our job was to interface and to just be a part of that community and by doing so you know have you know have a good sense of what was going on and that was there if you like, to allow us to develop a really you know coherent strategy of the things we needed to put into our offers and what have you to hopefully be able to win you know the deal as and when it happened. So if you like, right through that period there was that continued stage of activity that was just networking, the best way to say it.

B SMITHWHITE: Yeah.

S MCINTYRE: And then as the campaign developed you know it changed. So it started off I think late 1996. We had started sort of discussions with DESO because we'd established that there was a concept of packaging the UK Upholder submarines along with the GC Marconi frigates in an offer that also encompassed a Barclays innovative gold-based financing structure as an offer to the South Africans and a little bit of internal UK sort of pushing and shoving is probably the right phrase, the only way you could get a market as UK Plc to South Africa. We should be doing it together not as two separate entities.

And out of that activity with DESO, I remember there was a number of sort of you know meetings on points of principle. Out of that came the concept, well we need to, this should be a government to government level, you know, strategic defence package that we should offer and if I recall during that period I sort of became quite heavily involved in the concepts of that proposal.

I travelled back here a lot and you know it was in DESO working up proposals, sitting in meetings with Keith Norris and Gabby Buck from Barclays and you know there were various, I can't begin to remember all the names of all the people, but I think the whole package came together around, there was the submarines, there was the Hawks. I can't remember whether the Gripens were in that package in the very first phase. They may have been I think, but then there were the Lynx helicopters. There was also if I recall the VICKERS at that stage, main battle tank was being offered although by the South African's exactly didn't need a main battle tank is and subsequently proved but not too requirement.

So it was quite, you know, I think there was an air defence system as well being promoted, and that, so that period sort of late 1996 early 1997 period was around forming and presenting this concept and I suppose that concept was all around the fact the South Africans had a very



aged you know defence material solution you know that had come from sort of early '60s, relationships with France basically and you know, it was all very aged and so it was pretty clear that there was quite a range of requirements. It was also clear that you know that the sort of economic and social aspects of any transaction would have to be clearly visible and so the concept of industrial participation as a central part of an offer you know was embodied in that and then financially it was clear that the financing of this had to be you know strongly beneficial to the country and hence this gold-based finance structure which effectively offered the South Africans a hedge against any reduction in the gold price you know was seen as being quite an attractive financing option.

So you know that initial proposal was put together as a response to the sort of assimilation of all of those issues and you know it was, well I think, personally, I believe that that proposal was the proposal that sort of allowed the South Africans to you know finalise their own approach to the re-equipping of their defence force because that then you know whilst they didn't accept it, naturally. They, well, what they do was they'd initiate the sort of formal strategic defence procurement packages process and issue the first RFI for, to everybody from, basically everybody other than

the Americans because the Americans were busy suing Armscor for breach of, breach of arms embargoes in the first Gulf war at this stage. So unfortunately the Americans weren't invited as far as I'm aware to participate, and so you know that resulted in the first RFI to, and that was sort of you know, that was a government to government level request you know for proposals as to supply against a range of requirements and so in that period my focus then became you know how do we put that together and I would be working on you know formulating our response and you know just part of the team you know putting all that together, putting the papers together, working with the various parts of BAE that were involved with DESO, getting the documents together and stuff and then you know in 1998, so we did that.

There was then, there was a sort of initial down select which was in, I think was in, I think it was in February 1998 or it was in that period where a lot, basically a lot of the dross of offers were taken away.

We then received a sort of request for final offers and I think that went, you know, by that stage they'd sort of formalised the various nomenclature around the requirement. So you had the leading fighter trainer, you had the advanced light fighter aircraft, you had the whatever, you had the corvettes and the submarines flown to the airport, likely 2 or 3

helicopters. You had all this nomenclature. It had been well established by then and so at that stage we were you know we were into putting full and final proposal on the table and a lot of that, my involvement in that activity then became or the off-set proposals because unlike previous procurements around the world, the South Africans, I think I'm right in saying, were probably the first to make off-set proposals, detailed off-set proposals you know a key criteria in their selection and so you know we had to, I remember sitting in Stockholm for two weeks writing proposals for off-set projects working with various you know Swedish companies and you know, looking at you know the sort of investments that we made, the sort of turnover that would be created because they had this very, at that stage, Valine Pilae who had been the guy in the DTI in South Africa had developed this very sort of extensive scoring project you know scoring structure that looked at balance sheets and PNL accounts and scored, you know, gave you an IP credit as a basis of you know if the company was 20% black empowerment owned then you could multiply the turnover by one and a half and you know.

So you've got this sort of highly incentivised structure that said there was that project and there were those numbers on the balance sheet and the PNL and you would end up with that number of credit based on things like black

empowerment and general turnover investment. So we ended up you know, picture in your proposal you had to supply you know a blow by blow, project by project a detailed analysis of what the project was going to do, you know, when it was going to be influenced. It was like an individual business plan for every project. So that took quite a while and ultimately in reality, the length of time it took to contract meant that a great majority of those projects either evaporated or they'd gone ahead and therefore didn't qualify or you know, because, so we were involved in that through that phase. And through that period in 1998, that was when we really started in you know serious discussions with DENEL.

It was interesting because prior to you know the very early days, are we just waiting for that to beep or?

B SMITHWHITE: Yeah, we'll wait for the beep, yeah.

L JONSON: No, you can carry on, don't worry.

S MCINTYRE: Okay. So, in, sorry, I've lost my train again

S BARKER: DENEL, something about DENEL.

S MCINTYRE: DENEL, because I have to say in the early phase you know the DENEL relationship hadn't been particularly constructive and we'd started to, you know, we'd been working the industrial relationship through a company called ATE which had been someone that, a company that we'd been introduced to by Richard Charter but it was clear that DENEL was a major part of the sort of

defence establishment and you know it was, you know, we felt at that stage that you know we needed to be more engaged with them.

So in 1998, the sort of dialogue around the strategic equity partnership, in 1998, I suppose in parallel with all that's going on in defence in South Africa, it also had a sort of public enterprises sort of path that the new government had been walking, you know, moving away from a very centralised sort of apartheid sort of structure of state enterprises to a more you know a more, what's the word, a far more modern approach of you know of privatisation or part-privatisation and more capitalist if you like, more capitalist approach sort of. And so I mean, I think they just taken a stake or they'd just sold a stake in South African Airways, for example, to Swiss Airways and so the whole concept of an opening up of state enterprises had started to become a real, a reality at that stage and so that was you know that was early 1998. And so I started to get involved in the concepts of what BAE system's relationship with DENEL might be and you know we got involved with you know, they were looking to facilitate relationships between the South African authorities in that regard and the British equivalent to discuss you know what these types of relationships had been.

I remember preparing presentations on you know BAE's own privatisation and you know when it had

been made public in you know BAE had been formed in 1978 as a sort of as a public entity and then had been privatised whenever it was in probably 1986 or-

B SMITHWHITE: Can we stop you there?

S MCINTYRE: Yeah, sure.

P REIDY: Okay, this is the end of tape one. The time by my watch is 10.39.

**(End of Tape 1)**

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON  
THURSDAY, 22<sup>ND</sup> NOVEMBER, 2007.

CASE REFERENCE RLI02012

TAPE 2 OF A BATCH OF 5

PERSON BEING INTERVIEWED: MR STUART MCINTYRE

PERSONS PRESENT:

MS LYDIA JONSON	-	SERIOUS FRAUD OFFICE
MS BRENDA SMITHWHITE	-	SERIOUS FRAUD OFFICE
MS PATRICIA REIDY	-	SERIOUS FRAUD OFFICE
MR STEPHEN BARKER	-	SOLICITOR

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P REIDY: This is tape two of the Section 2 interview of Mr McIntyre. The time by my watch is 10.43. Mr McIntyre, please would you confirm that we have not discussed any matters relating to this case during the interval since the end of the previous tape?

S MCINTYRE: I can confirm that.

P REIDY: Thank you.

B SMITHWHITE: Right, just before on tape one, we were going through events in 1998.

S MCINTYRE: Yeah.

B SMITHWHITE: Who was around in the BAE office at that time? How much input did Allan Macdonald have?

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S MCINTYRE: I think by 1998, Allan was already sort of MD for Asia as well as South Africa so I think by that time you know his visits were less often and so I mean he didn't you know he wasn't necessarily in the office every week. So, it was the people working in the office at that stage you know in a permanent capacity was Niall running the office. There was David Williams who was the sort of BAE systems military aircraft sort of member of the team. So he'd been, he'd sort of come down in 1996 as well and myself. So that was the team on the ground.

B SMITHWHITE: And you mentioned before Richard Charter, was he around much during that time?

S MCINTYRE: He was, he was still you know the guy we sort of interfaced with primarily you know in terms of strategy and you know and so on, but I suppose by that time we had developed you know Niall had developed quite good relationships you know within the air force at various levels and Dave Williams had very good relationships at various levels in the air force and in the defence industry.

You know I knew a lot of people in the defence industry in particular a few people in the air force and so on. So, we had a you know we had a quite a good network at that stage of people that we knew that you know had a good sense of you know where things were and what was happening. So I don't suppose Allan came down that often. When he did come down you know he



would network with a sort of higher sort of structure of people you know.

So I mean I don't think any of us in the office would routinely go for meetings with you know any of the ministers, for example, or things like that. That would be, those sorts of meetings like any sort of layered organisation, you sort of dealt with people at your level. So, when Allan came down he'd be the one that would do and sort of pay the courtesy call to the minister or-

B SMITHWHITE: And how much input did people back in Farnborough have into the process?

S MCINTYRE: I would say very little really. You know the, you know our job as the team on the ground was you know to you know be close to the strategy and what was happening and where we were. You know clearly you know the general affairs and budgets and management of the office fell under the sort of financial management that Neils Peterson you know gave, so I mean we had to do our accounts and put our expense claims in and all that sort of stuff.

L JONSON: So who's Neils Peterson?

S MCINTYRE: Neils Peterson was the sort of you know the marketing and finance person you know-

B SMITHWHITE: Not marketing director?

S MCINTYRE: No.

B SMITHWHITE: Right.

S MCINTYRE: No, but he, Neils Peterson worked with you know just worked you know with the sort of you know

the budget manager if you like-

S BARKER: Financial controller.

S MCINTYRE: Financial controller for the you know within the sort of marketing function. That's how he appeared to me.

L JONSON: Right, okay.

S MCINTYRE: And you know so we would you know when we did our budgets, for example, you know he would say, 'No. You can't do that, you can't do that, you can't do this, you can't have that, you've only got this much', you know, that sort of thing, but, so yes, I mean there wasn't a great deal of you know, strategy was not imposed on us by some you know policy edict from the UK rather it worked by us you know proposing this is what we think we need to do.

You know we need to find new projects here you know or develop this you know take this project further forward and we need to improve our off-set offer or you know, those were, they were proposals that I think you know that by and large came from the team. That obviously you know we had a lot of you know, there was always a lot of push-back, 'Oh you can't have that. You can't have this and you can't do that,' but you know that was the nature of any you know organisational interface.

B SMITHWHITE: How much documentation was produced at this time internally for your office?

S MCINTYRE: What sort of documentation?

B SMITHWHITE: Strategy documents, that sort of thing?

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S MCINTYRE: Well, I think from time to time, you know, there were you know from time to time there were documents produced. In all I actually see you know I see in the disclosure pack you know that there's two documents. So there tended to be that sort of affair. You know Allan Macdonald writing to you know whoever saying you know, 'This is our strategy,' and indeed in later in the day there's you know there's one of mine there in terms of, in terms of how we move forward in 2002 to 2003. You know those were the sorts of communications that sort of documented that strategy.

L JONSON: There's nothing like a kind of an overall mapping plan which would chart how they plan to secure the campaign?

S MCINTYRE: All I can, I mean, all I can remember from the early days was we had developed a very nice diagram which was in, all classic organisations you know, you have a little sort of you know PowerPoint presentation picture that's sort of you know sort of says what you think. So we had that and our diagram was a picture of a sort of Roman building and it had pillars and a roof and a foundation, you know, that sort of thing and this was the sort of pillars of the campaign-type analogy.

I mean I don't think I've got a copy of it but I recall it vividly and you had sort of good corporate citizenship was the sort of, was the platform and you had you know you had industry,

air force and government as the pillars as the sort of key issues that we had to, or the areas where the issues were that we had to address and I think the roof was the campaign you know was the aircraft if I can remember.

But you know that was, that was the sort of thing we used to you know to position the various activities that we were engaged with because they had to fit part of, they had to be delivering parts of that structure because it was you know I mean this was a very professional sort of entity.

This wasn't a sort of, this wasn't a sort of trivial activity. It was a very complex thing. There were lots of people involved in the, you know, in the thought process both on our side and on their side.

B SMITHWHITE: Where would a copy of that be kept do you think?

S MCINTYRE: I mean I would presume it would be, if there is one, that it would be somewhere in the Farnborough structure but or it would be in the office. I mean I'm talking about documents that were probably first put together in 1996, 1995 even. I mean after that you know it was kind of a very active and live campaign. There was sort of no real need to extensively document it or communicate it. It was a kind of a just a well-known this is what we're doing, type of thing. So I don't believe it was ever really documented after that other than through you know the sort of reports and sort of periodic, 'Right, we've

reached this stage. This is how we need to go forward from here,' type you know documents.

B SMITHWHITE: You mentioned that Richard Charter was around during that time. Were any of the others advisors around for example, Trevor Wilmans?

S MCINTYRE: Not to my knowledge I mean not, you know I was conscious from time to time that Niall would have a meeting with Trevor or something but I don't recall those guys being extensively involved in our internal sort of you know campaign discussions or what have you. You know, so, I don't know. Richard Charter and I think Noel Potter had actually left Richard by that stage, 1997, 1998. I think that Noel had left Richard but you know Richard was still the guy that we you know would go to to bounce our ideas off and you know would help us you know give us that sort of local sort of sanity check on whether we were sort of in the right place in terms of strategy.

B SMITHWHITE: Was Alan Curtis doing anything at this time?

S MCINTYRE: No, I don't, my only, I was not aware of Alan Curtis around at all hardly. There was you know this Airborne Trust initiative rumbled on. You know there was lots of different, were we going to, at one point we were going to build houses in some other place and in fact there was a, at one point we were going to do a, it turned into a flight training school thing at one point which never happened. That was a laugh and you know so there was a bit of you know if we saw

Alan Curtis it was on some lingering issue around this Airborne Trust sort of project that finally became the MKMBA Project. So, no, I don't recall him being around at all in this stage.

L JONSON: Did you know he was an advisor at that stage?

S MCINTYRE: I mean as far as I was concerned, he was the guy from the Airborne Trust. So I mean I didn't even know he was an advisor now. So if he was, I don't know.

B SMITHWHITE: At the time, were you aware of who the other advisors were? Did Allan Macdonald ever say to you anything about them?

S MCINTYRE: Yeah, the whole sort of advisor thing was something that I had no part in. You know the, you know, the only person I knew to be, you know, our advisor at that stage was Richard Charter. I could see Trevor Wilmans you know around and there was you know so you know I could see them around, certainly subsequently and through these sort of documents that they're positioned as advisors. So, I just wasn't involved in the whole advisor thing. The only time I got involved in any sort of local consultant appointment was when we appointed Fana to help us with our NIP programme in 2003 and you know that was the only time I had any interface with that at all.

L JONSON: By Fana you mean Fana Hlongwane?

S MCINTYRE: Yeah.

B SMITHWHITE: Have you got any more questions on that

timeframe?

L JONSON: No. I was just going to move on to Mr Hlongwane but I don't think that I have any, only in relation to, were you at all involved in the setting up or the administration of BAE South Africa?

S MCINTYRE: Okay. Okay, no is the answer and I think and I think the whole BAE, I mean I'm not, I don't actually recall much about BAE South Africa. It was just, it was, was that, I can't, did, we bought a share in ATE and I'm not certain whether BAE South Africa actually came in and held that share, I'm not certain.

P REIDY: [Inaudible].

S MCINTYRE: That's a good point, I have very little recollection of the whole BAE South Africa thing. It was a local structure that was conceived of as a part, I think, as a part of a sort of you know how do we formalise our presence. I don't actually recall any significant activity that bore the BAE South Africa name.

P REIDY: Right. Were you a director or?

S MCINTYRE: I don't think so.

P REIDY: Right, okay.

S MCINTYRE: I did sit on the board of ATE for a while. I can't remember when I started on the board of ATE but Niall or Neils, somebody, Neils Peterson had been involved as a director and I'd taken over as a director.

L JONSON: How long was that for?

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S MCINTYRE: I think it was for about two years. I'd suggest between 1997 or 1998 and 2000, something like that.

L JONSON: Right.

S MCINTYRE: They finally ended up getting out of that relationship. I'm not certain. I think probably sold the shares back to you know ATE.

L JONSON: Right, that's fine.

B SMITHWHITE: Okay. What do you want me to move on to next, timeframe?

L JONSON: Yeah, either that or we can do Mr Hlongwane next.

B SMITHWHITE: Okay. You mentioned just a few moments ago Fana Hlongwane. Was he around in 1998 at all?

S MCINTYRE: Well, Fana was a, Fana was the guy who used to, who we sort of started dealing with when we started talking about a relationship with DENEL. My first sort of wholly conscious sort of interactions with him were you know were in that were in that context.

He'd been, he'd been, I think he was the, well he was the advisor to the minister of defence. I remember meeting him you know once or twice just you know as part of sort of general networking you know before then but you know he was only, at that point you know he was you know as I say he was an advisor to the minister of defence. So he was part of the broad community of people that we sort of routinely networked with but, so the first sort of you know more detailed interactions I had with Fana was in,



you know started in early 1998 as we were starting this DENEL discussion and I think he may already have been appointed to the board of DENEL in addition to being an advisor to the minister at that stage. I'm not sure exactly when he was appointed to the board of DENEL, but he was clearly involved in the sort of DENEL you know the affairs of DENEL on behalf of the ministry of defence and so you know he was very knowledgeable about you know what was going on and what the government's intentions were and you know so on and so forth.

So I started to have a fair amount of interaction with him as we were looking you know to engage with DENEL as a potential equity partner as part of its privatisation sort of initiative that the government had. So, in 1998, I started to see a lot more of Fana in that context and I think he had, I mean he would, he came on I think it was delegation, maybe May. In March, April, May, there was a delegation to London with the minister Stella Sigeau and there was a whole, you know, I think the chairman of DENEL whose name I can't remember, various, you know there was a whole delegation that came through and he was one of those people on that delegation.

And later in that year in 1998 we ended up sort of agreeing a very high level sort of MOU with DENEL. This was late 1998 or sort of I would say August, September. I think the Farnborough

Air Show was that year, end of July, there was a big DENEL delegation over as well and I remember being engaged in writing Memorandums of Understanding with DENEL and Fana was the guy you know who we were basically negotiating with in terms of what that MOU should say and you know and so on. So I ended up having quite a bit of interaction with him in the course of that activity.

L JONSON: Did you have any other discussions with him during that time? I'm speaking of 1998 at the moment, apart from DENEL?

S MCINTYRE: I mean not really. The defence procurement process was kind of well under way. There were you know millions of departments involved and you know so there was you know to my, certainly from my contact with him you know there wasn't any significant discussion other than you know the sort of general you know, 'How's it going?' sort of thing. You know, there was no specific dialog on these other matters in that you know, he was just you know thoroughly professional and focused on you know getting a sort of strategic relationship that made sense to the South African government. So I wasn't aware of any other significant interaction of any sort.

L JONSON: Did this, I mean, did the relationship continue into 1999, so after down Select and-

S MCINTYRE: Well, the two initiatives were essentially not related you know. So the defence procurement activity so all the bids and the final offers

and so on and so forth you know were not, and the DENEL strategic equity partnership were not linked. I mean clearly it would have been, clearly it would have been sort of untenable you know both for BAE and for the South African government for there to be a sort of strategic equity partnership relationship visibly DENEL on the one hand and a defence procurement relationship with somebody else entirely and that wouldn't have worked either way.

But there was no, there was no contractual or legal linkage between our dialog in terms of a strategic equity partnership on the one hand and our bidding and response to requirements on the defence project.

L JONSON: But just in 1999 generally, did you continue to have a relationship with him?

S MCINTYRE: Well through that period, we finalised, as far as I recall, we finalised, we signed this MOU in late 1998 and I believe there was various, what's the word, sort of political ratification-type activity in South Africa around that relationship that was if I recall going on you know sort of January, February time.

We then had the issue that Allan Macdonald had left and he'd been quite you know he'd been clearly a senior figure promoting this sort of bilateral industrial relationship. So his departure you know created a bit of a, 'So what's going on? Who do we speak to?'

So I remember having quite a bit of discussion

with Fana in the you know when Allan left to try you know to sort of you know to find out what the government's continuing position was or wasn't with DENEL and if I recall at some point in the middle of that year, there was a cabinet reshuffle, it might have been April, May, I can't remember in 1999, there was a cabinet reshuffle anyway and Minister Sigeau moved out of public enterprises and went to public works. The new minister Jeff Radebe came in to public enterprises and at that point he sort of said, 'Well I don't know whether we necessarily want to do this thing with BAE. I want to look at it all again'.

So I continued to be in touch with Fana as we monitored what the you know what the political position was or wasn't vis-à-vis this relationship and you know clearly having been selected you know as the procurement partner for Hawk and Gripen at that stage it was you know it was sort of you know it was an important part of our relationship with South Africa-

L JONSON: Sure.

S MCINTYRE: -to be still saying you know, 'We're still committed to this relationship,' but then they had this period of indecision-

L JONSON: Sure.

S MCINTYRE: -on their side when the minister changed. So yes I continued to be in touch with Fana routinely through that period on that relationship.

L JONSON: Okay. DENEL aside-

S MCINTYRE: Yeah.

L JONSON: All the way up to the signature on the contract in December, 1999, did you deal, did you have any other conversations with Fana apart from DENEL?

S MCINTYRE: No, and I have to say through that whole period, you know, I was kind of not really getting involved in the BAE thing at all. So you had, you had Kevin Smith had come in to negotiate the contract. You had Pat Gosden who was the military aircraft sort of negotiating guy. You had you know you had a whole sort of army of sort of lawyers and commercial people and what have you had emerged out of BAE. Niall and Kevin kind of just ran that combine and you can imagine through these types of negotiations, all these, sort of, 'We'll not give them this and we'll not give up on that issue', and there was a whole debate about how the scored the NIP and you know. So there was a big sort of corporate negotiation there and I, and at that stage, I was kind of out of it.

L JONSON: Right, okay.

S MCINTYRE: I had no real function. So I used to spend, all of that year I spent really just keeping the sort of industrial relationships that we had, this DENEL discussion sort of live whilst you know whilst the negotiations were completed and so I didn't get involved in any dialog with regard to the contract at all and certainly my

interactions with Fana you know were just all about DENEL and not about that, and I don't think he was involved in that either.

So it was all kind of general and there was a huge sort of negotiating team on the South African side, people from finance and DTI and all over the place. So you know I wasn't conscious of you know I wasn't conscious of any other discussion.

B SMITHWHITE: Okay. Do you know when he stopped being Joe Modise's advisor?

S MCINTYRE: I don't know. I don't know exactly when. I saw the disclosure here when we were, when we were sort of considering appointing him as a consultant in 2002. Julia Aldridge had asked me for that information. I don't actually recall ever getting it, but I think it was in the middle you know in the middle of 1998, at the end of 1998 was when he stopped working for the minister because my sense of it was that from really from the end of 1998, he was really you know his main activity was as a board member of DENEL, driving you know the sort of privatisation policy and so on associated with DENEL.

I certainly don't recall being conscious at any time after sort of mid-1998 of him you know being the minister of defence's advisor at all. So if asked to speculate, I would speculate that that, that that point must have ended some time in mid to late-1998.

B SMITHWHITE: Do you know if he took up some other role with Stella Sigeau at all?

S MCINTYRE: I don't believe so. Again you know I don't know you know I've no idea of the guy's affairs, but as far as I could see the main position that he was filling was as a director of DENEL and so all of his activity you know he was doing as an appointed director of the company.

B SMITHWHITE: How much contact did Fana have with Allan Macdonald at this time, 1998, 1999?

S MCINTYRE: Well Allan left I think at the end of January 1999 if I recall because it was quite sudden. It was all related to GC Marconi merger and who would be the marketing supremo as far as I recall. They'd had a bit of a falling out. So Allan I mean Allan was clearly you know heavily involved in the dialog with Fana you know as we were working this DENEL relationship through 1998. So he was involved in that discussion, you know but as we were sort of you know these delegations were coming to the UK and we were representing on privatisation generally and so on. So you know he was involved in that and so I believe he would have had a fair amount of interaction with Fana through that period. You know but after 1999 obviously he wasn't around. He was gone.

B SMITHWHITE: If we can look at events at end 1998 through to the signing of the contract in 1999, what was going on in that year?

S MCINTYRE: In 1999?

B SMITHWHITE: Yeah.

S MCINTYRE: Well, as I just said. It was you know we were, you know you had this big negotiating team in-country interfacing with the South African negotiating team. I mean it was a very, it was almost a surreal activity in a sense. It was an absolutely phenomenal negotiating contracting period because you know what the South African authorities had set out to do was to negotiate I think five different defence transactions with, or six, even you know with six different contractors each transaction being highly complex in terms of defence off-sets, non-defence off-sets, actual technical specification equivalent deliverables, finance and so on. So it was a very you know and these, on all of these sort of five or six you know activities going on in parallel. So I mean the diary management alone must have been an absolute nightmare. So you know there was all of that going on and that was absolutely all-consuming for the sort of team, the BAE team that was working on that and you know as I say my role you know became one of just sort of you know keeping you know good relations with all the various people who were waiting on the outcome of that activity. You know, working you know, trying to continue to work this relationship with DENEL in a period where there was a sort of transition in the ministry and you know a period of uncertainty you know there. So that was,

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that's what that year involved.

B SMITHWHITE: How much involvement did Richard Charter have in 1999?

S MCINTYRE: Well, to my recollection and you know I sort of, because I was very much out of it you know to a sense it's a bit speculative but I don't recall him having any sort of different relationship to the one he'd had before, you know, when as we formulated our strategy on how we were going to proceed on a particular issue you know he would be consulted and he'd give a local perspective on whether that strategy seemed sound or not and you know and that was you know my experience of sort of our you know those advisors anyway. You know it was always that we were you know obtaining good, solid, local perspective on the strategies that we were devising. So as I wasn't involved in that, in any of that, I had no reason to suspect his input was anything other than that because that's what it always was.

B SMITHWHITE: How much involvement did DESO have in 1999? Was it more visits from the UK?

S MCINTYRE: I think DESO, I mean DESO was quite involved throughout because you know the whole, the whole procurement was firstly at the sort of government, not government sponsors, not that phrase, but you know it was a, it existed as part of a sort of bilateral relationship that was forming and that's the nature of these transactions generally I think.

And so DESO, I mean I remember in fact, you've got in that disclosure pack that I'd written having had input back from Keith Norris I think that was one of the very first engagements that the UK structure because I think they were, it was also GK and Westland was involved at that stage with the links procurement as well. So there were two British elements.

So they had gone in to you know sort of have the first discussions with the South African negotiators to work ahead to just organise and programme the negotiations in and to sort of you know start, you know I think that note shows that there were a variety of already emerging issues around finance and affordability that needed to be answered and so on and so yeah. I mean DESO were involved routinely and I think quite frankly continued to be involved all the way through you know certainly until I left. We were still having sort of you know half-yearly or quarterly IP reviews with you know with DESO you know because they were also established as the sort of overseers of our delivery of our off-set obligations. It was some bilateral forum that was set up between the South African DTI and DESO to make sure we were delivering our obligations. You know so they continued to be involved all the way through.

B SMITHWHITE: And you mentioned a few minutes ago about Allan Macdonald's departure.

S MCINTYRE: Yeah.

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B SMITHWHITE: What can you recall about that?

S MCINTYRE: Well, again, so this is now, now this is internal gossip, right? So I have no, I've absolutely no direct knowledge at all, but the internal gossip went along the lines of there was, the GC Marconi BAE merger was you know clearly pretty much on at that stage and so there was a, there were people vying for who was going to be the marketing director of the new entity and Allan you know very bold individual, confident individual was absolutely clear in his own mind that it was going to be him and was already sort of telling people around the marketing organisation you know, 'Watch out if you know when I'm you know, watch out. I'm in charge', you know, sort of thing. So, and I think that type of posture had got untenable at a you know corporate, senior corporate level and so various other directors you know took issue with that and it was agreed you know one evening that it just wasn't going to work any longer and he was asked to leave. That's sort of my understanding. I don't know what you could say about it but that was you know that was my, that was the corporate gossip you know that he had kind of over-stepped his mark and the rest of the organisation kind of wasn't happy any longer. So he left and that was that, pretty much over night. I don't know if that concurs with other information you have, but that was the gossip.

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B SMITHWHITE: The shift from Allan Macdonald to Kevin Smith, did that mean a change in the nature of work that was going on? Was there a different focus?

S MCINTYRE: No, not really. I mean, it was interesting that that shift occurred at sort of in a sense in a natural break-point in the process that you know we'd just won the contract. You've got that very first post you know post selection note from Allan back to organisation that if we're going to close this contract, then these are the things that we're going to have to do and I have to say you know Kevin's approach to that was pretty much along the lines of you know of the note that Allan had written. So I wasn't conscious of any shift in direction or anything at that stage. You know it became just a real business as usual, heads down, get the contract finished and you know a whole bunch of professionals came down to deal with that. So I don't recall any real shift.

B SMITHWHITE: Okay, anything on that time?

L JONSON: No.

B SMITHWHITE: Move on to the next one?

L JONSON: Yeah.

B SMITHWHITE: If we look at in effect post signing of the contract through to the effective date which was April, 2000-

S MCINTYRE: Yeah.

B SMITHWHITE: What was going on in those few months?

S MCINTYRE: I don't recall very much actually. I think that all I recall is everybody being very concerned,

I don't know if I should call it issues about, it was the, they had to make the first payment, didn't they, to make the contract effective?

B SMITHWHITE: Hmmm.

S MCINTYRE: I mean I don't recall very much at all going on. I think you know, I recall I think that was when Kevin was leaving. I recall debates, and the GC Marconi merger was kind of very, very new at that stage. So there was a lot of sort of inward looking, you know, what's the new structure going to be? Essentially the team on the ground were still Niall, myself and Dave and I think some of the negotiating team had probably left by that stage because the contract was signed.

The, you know, we were waiting for the first payment to be made and you know I don't recall anything much other than that. Nick Franks was probably appointed in that period, would have made a first trip I should think to find out what's going on. I think there was probably a bit of work associated with you know getting NIP things sorted out which were already fairly aged having been put together as a bid in sort of February, March, April if I think I'm right in saying, 1998. This is now kind of end 1999, early 2000 and we're now trying to work out whether we can implement projects that had first been crafted you know the best part of two years earlier. So there would have been a fair amount of work looking at that and, you know, I don't

recall anything of note in that period.

B SMITHWHITE: What were you doing? Were you still maintaining your contacts?

S MCINTYRE: Well my you know, again, it was really, we were still in that you know my activity then at that stage was predominantly DENEL strategic equity partner-related. I mean I had interfaced with lots of parts of the industry. I think by that stage Jeff Radebe you know was starting to look at you know the privatisation programme again. I was continuing to interface with Fana on that. The, I think, Sully Gundon had been appointed by Jeff Radebe as the director general in public enterprises and we were starting to, we were starting to interface with him.

There was another guy in public enterprises whose name I can't remember – I should because I worked with him a lot – who was appointed at that stage. So I mean I was, you know I was just sort of continuing to work that part of our interest and you know just keeping our relationships alive and you know continuing to sort of you know push forward on those aspects of our strategy.

B SMITHWHITE: Okay. We'll move on to the time after the effective date-

S MCINTYRE: Yeah.

B SMITHWHITE: -through to your last involvement which was middle of 2005? Is that about right?

S MCINTYRE: No. My last involvement was, I mean, I left South Africa physically on the, I have to guess,

I left South Africa physically on about the 28<sup>th</sup> of December, 2003 and I moved into my new house in Hampshire in on sort of the 3<sup>rd</sup> of January, 2004. So that's when I left.

B SMITHWHITE: Okay.

S MCINTYRE: I think, I mean, in all real respects, Jonathan Walton who replaced me, I think he arrived in-country in June, July 2003 and my last sort of three or four months were all kind of getting myself into some sort of job back in the UK and finding somewhere to live and all that sort of stuff, having farewell parties. I remember a lot of them. So, I think my last real involvement was kind of late summer at best, 2003.

B SMITHWHITE: So, in those, in that timeframe, April 2000 up to end 2003, what were your responsibilities during that time?

S MCINTYRE: Well, I mean, I think Nick Franks had just been appointed in the sort of spring of that year. I was working, I was just continuing to work on DENEL's strategic equity partnership transaction and sort of maintained the general relations networks that we'd developed.

I think Niall left, if memory serves, something like September or so, what did I put in there?

S BARKER: Autumn.

S MCINTYRE: Autumn, yeah, September or so, 2000 because I mean there were other campaigns around that you know that he was being targeted on. So I, Nick, at that point appointed me as, as a sort of, in-

country manager and I adopted this title of executive director South Africa but Nick asked me to choose the title which I did. So, it had little meaning. So, you know, and so I was working with DENEL.

I recall in that early, late 2000, I think Jeff Radebe had a DENEL transaction invited us to re-open dialog formally with regard to a partnership with DENEL which we did and we ended up, I think we ended up signing a very high-level MOU quite quickly if I recall which then created the context for a, a due diligence, a serious, a really serious due diligence exercise the intent of which was to allow us to make a formal proposal and so I recall in the latter part of 2000, early part of 2001, that's when we were forming this sort of multi-disciplinary team of specialists out of BAE to work that due diligence. And so there was a huge amount of activity getting all those specialists identified, getting them out because they were all being sort of positioned out on year or year and a half to a year placements. So it was kind of a big ex-patriot HR exercise going on and also at that stage, the other part of my activity was starting to emerge which was the whole sort of media management because in late 2000, the auditor general in South Africa had issued his report on the deal and made a number of remarks which you know triggered off a huge amount of press interest.



You know, why did they buy the very expensive Hawks when the cheap Aermacchi could have done the job? Why did they discount price in the evaluation half way through the evaluation process? You know, and so on and so forth, oh and BAE could pay £500,000 to you know to the ANC and all these sort of all these sorts of allegations and so I, when Niall left, you know I was left sort of holding the media baby in South Africa and we started to have to get very organised frankly as a company in what was a very you know a very, very intense sort of media environment.

So, my role at that stage could, also around the end of 2000, the Swede's who had been put in charge of the NIP organisation had delivered about nothing and it was very, very clear that we were a long way shy of where we needed to be on the NIP obligation. And so Bernard Collier who had been a guy who had, I'm not sure about his past, he was in Matri-BAE dynamics in Paris or Serbia. I don't know where he'd been before he came, exactly where he'd been before he came to South Africa but he was appointed by Nick to run the NIP organisation in South Africa and started assembling this team of Four Ways and recruiting a whole variety of local people and had a few people down.

So he, that whole NIP thing was being dealt with by Bernard and David Williams was just on, I think he was just on the point of retiring so

they appointed Tom Parkinson. Tom Parkinson had been appointed basically to replace Dave Williams to sort of run the, you know, the actual aircraft sort of delivery activities in the relationship on the DIP, the defence industrial participation and there were various people down on that. We had a guy called, there was a contracts guy who was appointed down about that time to sort of be the local commercial guy on the contract, so that was all being run by Tom. So my focus was basically on managing this DENEL dialogue which was starting to get really quite complex. You know, it was a pretty substantial exercise and managing this media environment which was you know, I look back on it as a very exciting informative experience for me personally, but it was a very intense activity. You know we were getting you know the Mail and Guardian you know in South Africa would give us the right to reply on a Wednesday for an article they were going to publish on the Friday and you know we had to strategise very carefully as to what our response was going to be on the latest wild allegation and so we got pretty good at that in the end and we assembled a media team. In fact Fana helped me a lot then because he put me on to a guy called Stephen Lafa who was a former press advisor to Joe Slovo and we engaged Stephen as a sort of media consultant to compliment Lyndon Burns who had been the sort of long-standing you know get us good column inches

sort of guy who helped us handle the media but he really didn't, Lyndon didn't have the really savvy sort of tabloid you know journalist interaction experience. He was great if you wanted, if you were having an air show and you were having a flying display and you wanted to get a little piece saying you know with a picture of an aeroplane, but when it came to managing the sort of media interface on the ground, Lyndon, Stephen Lafa was fantastic, really, really organised, really knew the scene. So it was basically managing those two things. That became really what I did every day. So-

L JONSON: It's 43 on the clock. It would be a good time to stop.

B SMITHWHITE: Yeah.

P REIDY: This is the end of tape two. The time by my watch is 11.27.

**(End of Tape 2)**

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON  
THURSDAY, 22<sup>ND</sup> NOVEMBER, 2007.

CASE REFERENCE RLI02

TAPE 3 OF A BATCH OF 5

PERSON BEING INTERVIEWED: MR STUART MCINTYRE

PERSONS PRESENT:

MS LYDIA JONSON	-	SERIOUS FRAUD OFFICE
MS BRENDA SMITHWHITE	-	SERIOUS FRAUD OFFICE
MS PATRICIA REIDY	-	SERIOUS FRAUD OFFICE
MR STEPHEN BARKER	-	SOLICITOR

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P REIDY: This is tape three of the Section 2 interview of Mr McIntyre. The time by my watch is 11.46. Mr McIntyre, please would you confirm that we have not discussed any matters relating to this case during the interval since the end of the previous tape?

S MCINTYRE: I can confirm that.

B SMITHWHITE: Thank you. Okay we have just taken a short break there to stretch our legs. Just wanted to round up with one question about what we have discussed on the previous two tapes and that was, up 'til the time of the effective date in April 2000 were you aware of any paid advisors

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being employed by BAE in that time that you were in South Africa?

S MCINTYRE: I wasn't aware, I mean I, you know as I said before I had no function or role in the appointment of advisors anyway. I do not from the disclosures that there appears to be a variety of documents that look like advisor appointments, you know. I, the first time I saw them was when you gave me the disclosure facts. I am not aware of it.

B SMITHWHITE: Mmm. Were you aware that Richard Charter was getting paid?

S MCINTYRE: I was, I think I was conscious that Richard Charter was an advisor. I mean he had been the guy that I had first met back in, back in 1994/1995. But I wasn't conscious of you know, of anything associated with his appointment other than that he was our local advisor and was giving us local advice on our strategy.

L JONSON: What about Trevor Wilmans, you mentioned him, did you?

S MCINTYRE: Well again, you know as I said before I was conscious of his presence because he attended one or two early strategy meetings and I was conscious that Niall Irving interfaced with him from time to time. Do you know, I didn't personally have any you know interaction with him. So I was never really conscious of his status or otherwise other than in the meetings that I did have he seemed to be able to give, you know, good guidance on our strategy. And

whether that was you know a good strategy or not.

L JONSON: So does that mean to say that you had no idea of the payment terms?

S MCINTYRE: Yes, no idea.

L JONSON: Thank you. And what about Fana Hlongwane, again just dealing with up to April 2000 not later on.

S MCINTYRE: Well from all of my interactions another thing I have been witness to you know, right up to 2002 as far as I was aware he was an employee of government and either advisor to the Minister of Defence or latterly from whenever it was, middle 08 end 08, 1998, sorry he was a member of the board of DENEL. You know I think as far as I am aware the only time he had any arrangement with the company was when we put this consultancy arrangement together to support our NFU programme. So-

L JONSON: So did you ever have any involvement with Hugh Dickinson's organisation HD Marketing Services?

S MCINTYRE: No, I think the, I mean the only involvement I had was when because I think Julia Aldridge works for Hugh-

L JONSON: Mmm.

S MCINTYRE: -was when we were looking to appoint Fana as a consultant to the NIP programme. There were various bits of information that she needed to go through her process.

L JONSON: So not prior to that at all?

S MCINTYRE: No.

L JONSON: And did you have any knowledge of the referrals

committee?

S MCINTYRE: No.

L JONSON: Okay. Have you heard of a company called Red Diamond Trading prior to receiving our Section 2 notice?

S MCINTYRE: No, that was the first I, that was the first thing you pointed out. No idea.

L JONSON: Obviously, you have just said that you don't, you don't know about the payment arrangements in terms of how much people were paid but do you know, do you have any knowledge of how BAE made the payments to its advisors?

S MCINTYRE: No.

L JONSON: Or where agreements were signed?

S MCINTYRE: No, I...no.

L JONSON: Have you ever seen a copy of a consultancy agreement?

S MCINTYRE: No.

L JONSON: Alright, well what we would like to do now is move on to specific occasions. And I am going to kick off with a company called Kayswell. Have you ever heard of Kayswell It is Kayswell Services.

S MCINTYRE: No, not until, not until I read this disclosure pack.

L JONSON: The principles behind Kayswell are, well I should say that the principal shareholder is a man called John Bredenkamp.

S MCINTYRE: Mmm.

L JONSON: His associates are gentlemen called Julian Pelissier, Trevor Wilmans, Rick Passaportis and

Walter Hailwax. Now you have mentioned Trevor Wilmans already.

S MCINTYRE: Yeah.

L JONSON: Have you ever met any of the other individuals?

S MCINTYRE: I recall the name Jules Pelissier.

L JONSON: Mmm.

S MCINTYRE: I think, I think he may have attended one or two meetings in the very early days of the thing getting out of Australia. You know, so I think he is the only other person I think I have met.

L JONSON: So apart from those early days, those one or two meetings did you ever see him anywhere else?

S MCINTYRE: No.

L JONSON: Right.

S MCINTYRE: I was conscious that Trevor was around because I was conscious that Niall met him from time to time but-

L JONSON: Did you ever see any written reports provided by either Wilmans or Pelissier?

S MCINTYRE: No, not that I recall but no.

L JONSON: And are you aware at all of any particular services that they provided to the company in relation to this campaign apart from attending those meetings and providing certain views?

S MCINTYRE: Ah, no, I mean you know my, you know my interaction such as it was you know just led me to believe that these were, you know knowledgeable individuals who knew this sort of South African environment were able to give us good guidance as to how best to approach the various issues that were out there.



L JONSON: You have mentioned Wilmans' meeting with Niall Irving, was there anyone else that you were aware that he would have interacted with apart from Niall?

S MCINTYRE: No, oh... no. I think they would know Richard Charter because of, you know they were attending the same meeting. I don't know if they met Richard or whatever.

L JONSON: What about Allan MacDonald?

S MCINTYRE: You know, again, when you know when Allan was in the country I imagine there might have been occasions when he and Niall both met Trevor. And certainly in some of those earlier meetings Osprey in that period before it actually moved down you know, Allan was in those meetings. So I mean you know I felt sure that you know Allan knew these people. Other than that, I had no witness of any other interaction between Allan and these people.

L JONSON: Right, do you know anyone called Yusuf Surtee?

S MCINTYRE: No.

L JONSON: Mohammed Surtee?

S MCINTYRE: No.

L JONSON: Have you ever met John Bredenkamp?

S MCINTYRE: No.

L JONSON: Had you heard of him?

S MCINTYRE: I have heard of his name.

L JONSON: In what context?

S MCINTYRE: I think there was a huge article about John Bredenkamp at some point in the media campaign. I mean I was conscious that he you know he was

a, you know, a sort of a big name of some sort.

L JONSON: When you say article, do you remember when?

S MCINTYRE: I think yeah if I had to guess it would be in 2003. There was a big sort of splash on John Bredenkamp. I mean there was a huge amount in this whole media sort of furore of dialogue on all sorts of names being thrown around the place. And you know, he is this guy, he is that guy, you know. You know but that was the nature of that media activity, so.

L JONSON: Did you ever talk to MacDonald whilst he was there about advisors and who, what the need was for advisors and why, and who was helping out? Who was a useful source of information?

S MCINTYRE: I mean, the answer is I don't suppose I you know, I didn't find myself you know suspicious at any time that any of the people that we were talking to, or Allan was talking to were doing anything other than giving us really good advice on local, you know local support. And you know, as we tried to enter this new market, so. I never really had the cause to ask Allan that type of question. So, no I didn't. I mean, no.

L JONSON: What, have you ever heard the terms, 'First World Practice' and 'Third World Practice'?

S MCINTYRE: No.

L JONSON: In the context of obtaining a contract?

S MCINTYRE: No, those are new phrases to me.

L JONSON: Can I take you to a document in the disclosure-

S MCINTYRE: Mmm.

L JONSON: -it is at page 45. Which is, for the benefit of

the tape DOCMan reference 013444-000-002. This is a memorandum from JCMP who is Julian Pelissier to JAB, John Arnold Bredenkamp with some other people CCd into it. This is a three-page memo about a number of matters and I will just principally like to draw your attention to page, the very first page our page 45. What this appears to be is a justification as to why Mr Pelissier should have received a bonus within his company setup in relation to the South African campaign.

S BARKER: Sorry, may I ask which company it is please? Is this?

L JONSON: This is Kayswell.

S BARKER: Kayswell.

L JONSON: Yes. And if I can take you, I will just quote from, 1, 2, 3, 4, 5, 6, 7, 8, 9; nine lines up the sentence beginning, 'The second reason advanced that JCMP and TJW' that is Trevor John Wilmans, 'Had done nothing exceptional and had merely been managing a process. I find it extraordinary coming from people who had no involvement and therefore no knowledge whatsoever on the inputs and activities over a period of four years in a ruthlessly competitive market incorporating both first world and third world procedures, towering egos of all the key players and continuous rival attempts to undermine our positions as representatives.' Now having seen this document and looking at the words again, 'First World' and 'Third World'

procedures can you, do you know what that means?

S MCINTYRE:

No, no I don't.

L JONSON:

Does it surprise you to know that Kayswell received £40,000,000 for its advisory services under the Hawk and Gripen campaign?

S MCINTYRE:

I don't know whether to be surprised or not. I am just not involved in that affair.

L JONSON:

It was the highest, the active, the advice given by Mr Wilmans and Mr Pelissier was remunerated higher than anyone else in the entire campaign. And that includes Richard Charter, does that surprise you from what you have said?

S MCINTYRE:

Well again, I just don't know. I don't have any context to be surprised or otherwise. I mean these are matters that I just wasn't involved with.

L JONSON:

From what you saw of Mr Wilmans and Mr Pelissier do you consider that they provided advice, for what you saw that even approached that level of remuneration?

S MCINTYRE:

You know I just didn't see, I didn't, I just wasn't involved in much interaction. I don't see how I can, I don't see how I can give an opinion on that. I mean, you know I just have no, I have just had no involvement in these affairs. And I don't, you know I don't see how I can provide an opinion on the rights and wrongs of that.

L JONSON:

You can't provide an opinion? I am simply asking, you saw them. From what you saw, I am simply asking whether or not you felt that they..

from what you saw?

S MCINTYRE: Well, I think the better question is what did I see? What I saw were people who seemed incredibly professional, incredibly you know in tune with what the issues and you know industrial political what have you, you know requirements were. And issues that were being you know balanced in this procurement and were thoroughly professional in giving us guidance in that process. You know, you know and for all of that my only real involvement there was in those early days when I witnessed that professional input so.

L JONSON: I think I may have missed earlier, how many times do you think you met them overall in those meetings?

S MCINTYRE: Well I think in the early period you know, probably three or four times.

L JONSON: What about in the later period?

S MCINTYRE: I don't think I met them at all. I think I had, you know I think from time to time I think I saw Trevor you know at a, you know we used to do an end of year function-

L JONSON: Okay.

S MCINTYRE: -which I think he attended once or twice.

L JONSON: Okay, okay.

S MCINTYRE: So.

L JONSON: Brenda, that is me on Kayswell.

B SMITHWHITE: Okay, if we can go back to Richard Charter and Osprey.

S MCINTYRE: Yeah.

B SMITHWHITE: Which we have talked about on the previous tapes. What was Richard Charter's experience that he brought to the campaign?

S MCINTYRE: Well, you know firstly I am not an expert on Richard Charter's long history but my understanding of his history was that he had been as a boy or as a young man he had been, you know drafted into the Air Force. I think he had a, you know, mandatory, sort of when you get a mandatory call-up to, whatever you call that.

B SMITHWHITE: Conscription.

S MCINTYRE: Conscription. So I think he had been in the defence force in that period. You know it seemed that he had a very good network generally amongst, I don't know, I suppose his peers in the defence force. He had as far as I believe, he ran a company called PISA which was parachute industry South Africa which involved supplying sports parachutes and parachutes for military applications. They had a sort of defence supply relationship of one sort or another into the, you know into the defence force. You know, so all of those elements seemed to me to you know, to position him as somebody who was well acquainted with the world of aerospace and defence in South Africa. So I had no cause to doubt his qualifications as somebody who could help us and advise us on our strategy.

B SMITHWHITE: In your time there, who did Richard report to if anybody?

S MCINTYRE: Well I think the campaign was being run by Allan

and so it was, I think it was pretty clear to me that his you know, that his sort of, the service he was providing he was providing to Allan and Allan's team. So I suppose he reported, he didn't report through me or Niall or anything. He just reported in to, basically to Allan.

B SMITHWHITE: And do you know who would give him his instructions as to what he should do?

S MCINTYRE: I don't know that he was even, you know the way I witnessed the thing working was that we would sit and discuss the issues, where we were and our strategy and where we were going and there would be a sort of collective agreement that these were the things that we needed to do. You know, we needed to advance that project and we needed to, you know go back to the UK and negotiate an improvement of that offer on this defence thing. You know, so there wasn't, I don't recall a sort of giving of instructions type environment at all. It was a, you know, it was a team strategy and you know that was sort of continually revised and agreed and you know, people took on the bits that were relevant to them. And so you know if there was, you know, you would, things like you know if there was some information that we needed or that we felt that you know could be gained from some discussions with certain people in the Air Force. For example, you know, you know that would be identified as something that needed to be done

and you know, if Richard knew that guy he would say, 'Oh, I'll go over and speak to him and see whether he has any information on that.'

B SMITHWHITE: Yeah.

S MCINTYRE: That was the nature. I don't recall a sort of instruction giving type of environment. I mean, you know certainly in my, you know from my exposure to it.

B SMITHWHITE: Were you aware of Niall Irving conducting an exercise to reduce the level of percentages paid to advisors?

S MCINTYRE: No, no.

L JONSON: Okay. After Allan MacDonald left Kevin Smith came on board.

S MCINTYRE: Yeah.

L JONSON: Did he liaise in the same way with Mr Charter that Allan MacDonald did?

S MCINTYRE: Yes, I think broadly, yes. I don't recall, I mean I have to say as I said earlier I wasn't particularly exposed to any of that sort of activity at that stage but I don't recall being conscious of any particular reduction in that interface.

L JONSON: Right and do you think they had a good relationship, Smith and Charter?

S MCINTYRE: Yeah, no cause to believe that they didn't.

B SMITHWHITE: Do you know if Richard was involved in any other campaigns in Africa at all?

S MCINTYRE: No, there was, I recall there was a, there was a deal with ATE where ATE were looking to market, oh gosh what was it, I think it involved



Rooivalk in Algeria. Is it Rooivalk? I remember, I remember Richard, I think this is more through my involvement you know with ATE. I remember you know Richard being engaged you know with that place because he was, I think he was also on the board of ATE, I may even have bought him shares in ATE. So I remember that but I don't recall anyone saying in relation to BAE.

B SMITHWHITE: Okay. Richard Charter had one agreement with BAE through his company Osprey but he also had another agreement with BAE through Huderfield. Have you heard of the name Huderfield before?

S MCINTYRE: No, no.

B SMITHWHITE: Were you aware of advisors having two arrangements at-?

S MCINTYRE: No, as I say I mean I just was not involved or privy you know to any of those arrangements and I can't explain you know. For whatever they were I can't explain why they may have been whoever they were, so.

S BARKER: Can I just ask is it Huderfield or Huda's Field? I have seen it with an s and without an s.

B SMITHWHITE: Without an s.

S BARKER: Huder.

B SMITHWHITE: Yeah. And if we can turn to page 30 to 34 in the new disclosure bundle. For the tape, this is DOCMan reference 009582-000-22232225 and this is a memorandum from BAE about the arrangements for Huderfield. If we can look at page 33 within that. What has happened is that on the

2nd of December 1999 there was an amendment to the agreement which showed a payment of \$4,000,000 to be made upon signing of the contract. On the 3rd of December, the contract was signed and then on the 7th of December the payment was made to Huderfield. Do you have any recollection about that payment at all?

S MCINTYRE: No.

L JONSON: Can you think of any reason why Richard Charter would need \$4,000,000 as soon as the contract was signed?

S MCINTYRE: No, no.

S BARKER: It is actually dollars isn't it?

L JONSON: Sorry?

S BARKER: US dollars.

B SMITHWHITE: Yes. And just one more question there on Richard Charter, did he continue his involvement with BAE in 2000/2001 at all?

S MCINTYRE: If I recall when, in 2000/2001 we had much less dealings with Richard. I mean he was still around but you know we were in the thick of implementation you know. I don't recall having substantive strategy discussions with him at that stage.

B SMITHWHITE: Yeah.

S MCINTYRE: So, I think it is probably fair to say that his sort of involvement had largely tapered off by then.

B SMITHWHITE: Okay. Anything else on Richard?

L JONSON: No. Brookland, ever heard of Brookland Management Ltd?

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S MCINTYRE: No.

L JONSON: Brookland is Alan Curtis' company. They had an agreement, sorry Brookland had an agreement with BAE and was paid a total of \$8.4 million for the contract. You have told us about Alan Curtis' involvement with the Admiral Trust.

S MCINTYRE: Yeah.

L JONSON: In the time that you were involved in campaign until April 2000, did you have any visibility of Alan Curtis providing any advice to the company in terms of the campaign?

S MCINTYRE: No, no, none at all. Not what I can recall.

L JONSON: When was the last time do you think, I know it is a long time ago, you saw Alan Curtis?

S MCINTYRE: I think I recall him being in South Africa in 1999. I mean I say that because I think I saw in one of these various expense reports there was something that sort of pointed to the fact that he did, I don't know if it was now. I'll find it in a minute.

L JONSON: Take your time.

S MCINTYRE: I have to say I don't recall seeing him but-

L JONSON: So 1999 you are just going from any documentation?

S MCINTYRE: Yeah, that's all I saw in 1999, 24/03, 1999 VIP Alan Curtis. That would have been a payment to the VIP lounge at Johannesburg airport.

L JONSON: Right.

S MCINTYRE: Which was routinely used, I say routinely used but often used you know to, when people came into the country or left I cant remember.

L JONSON: Sorry, I think you said earlier that you weren't aware that Alan Curtis was an advisor, is that right?

S MCINTYRE: Yeah, yeah.

L JONSON: Okay. Do you know who he had links with in BAE?

S MCINTYRE: No.

L JONSON: Have you ever heard of a company called Manetrade M-A-N-E-T-R-A-D-E?

S MCINTYRE: No.

L JONSON: Or a gentleman by the name of Johann Andre Botha?

S MCINTYRE: No.

L JONSON: I think that's it from Brookland.

B SMITHWHITE: Okay, we'll move on to FTNSA which is a company used by Basil Hersov and Richard Friedman. They were paid over £5,000,000 in relation to the Hawk and Gripen contract. Have you ever heard of FTNSA?

S MCINTYRE: I have not heard of FTNSA. I have heard of Basil Hersov because I think he was also involved in, was he involved in this Airborne Trust thing?

B SMITHWHITE: Possibly, yeah.

S MCINTYRE: Okay, yeah that's the only. And I recall that name from I think he might have been involved in BAE corporate jets or something in the past in South Africa back in the 1980s or something. Well that's the consciousness I have of Basil Hersov. I don't recall meeting him once in my entire experience with South Africa either before I moved there or after but that is the

only memory that the name triggers.

B SMITHWHITE: Okay, what about Richard Friedman?

S MCINTYRE: Yeah, I don't have any record of or recollection of meeting a guy I don't recall, I mean I don't actually recall the name. There was a guy that Richard Charter introduced me to once called Richard Friedlander, I can't remember what that was in relation to. I think that was in relation to a golfing project that Richard was working on. So, I don't know if that's the same guy, no idea.

L JONSON: Were you aware that Basil Hersov was an advisor for BAE?

S MCINTYRE: No, I certainly wasn't aware that they were advisor to, you know to this activity. I was conscious that they had, there had been some past relationship with Basil Hersov through this corporate jets thing but as I say I don't recall them ever appearing at any of the sort of meetings we had to discuss strategy or what have you. So I had no consciousness at the time of Basil Hersov being an advisor other than you know he had been somebody that BAE had had a relationship with once.

L JONSON: Do you know who BAE would have spoken to in relation to corporate jets for example?

S MCINTYRE: I don't know. Whoever it would be through the BAE corporate jets structure, I don't know. And again, I was told to wait for something in 1998 or something.

L JONSON: Okay, okay.

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S MCINTYRE: Or 1999. I think just after I started with BAE they flogged off all the jets.

B SMITHWHITE: Do you remember who told you about the existence of a past relationship?

S MCINTYRE: No, I can't. I mean I think that whole consciousness would have been something that emerged early on when I first went down there with jet stream on a Jet Stream 41 deal and you know, just very first contact with South Africa. So Richard Charter might have been aware of it. I'm not sure. You know, so I can't remember where I first had that, you know had that information. Frankly I can't, other than it being a PSA, I couldn't verify a word of it, so.

L JONSON: Sure.

B SMITHWHITE: Okay.

L JONSON: Zomita? Have you heard of a company called Zomita?

S MCINTYRE: No.

L JONSON: Developmental. Zomita is a vehicle linked to a guy called Nabil Hajazi. Have you ever heard of him?

S MCINTYRE: No.

L JONSON: Any idea whether he was used as an advisor in a South African campaign?

S MCINTYRE: I mean I don't know the name so I have no idea.

L JONSON: Okay. In which case I don't think I have any more questions on Zomita. Sujenara Ltd.

S MCINTYRE: No.

L JONSON: Sorry, a guy called Roger Harding?

S MCINTYRE: No idea.

L JONSON: Okay, no more questions on Roger Harding. A company called Commercial International Corporation?

S MCINTYRE: Again, no.

L JONSON: You never heard of them?

S MCINTYRE: No, no idea. Never heard of it.

L JONSON: [Aside from tape]. Alright no more questions on CIC. But we are not finished yet. Your go Brenda. Yeah Arstow.

B SMITHWHITE: Yeah if we can move onto a company called Arstow-

S MCINTYRE: Sorry, what was that?

B SMITHWHITE: Arstow; A-R-S-T-O-W, who were paid £14.8 million in relation to the Hawk and Gripen contract. The man behind Arstow is a gentleman called Alex Roberts. Have you heard of the name Alex Roberts at all?

S MCINTYRE: I have heard of the name Alex Roberts because I think he, did he used to work for Shorts?

B SMITHWHITE: Yeah.

S MCINTYRE: Yeah, I was quite, I have heard of that name.

B SMITHWHITE: Have you met him at all?

S MCINTYRE: I think I met him once in South Africa in, it must have been in 1999 if I recall. So I have met him once.

B SMITHWHITE: And what was the context of that meeting?

S MCINTYRE: I don't recall actually. He was down in South Africa, I think I was asked to, you know to pick him up. And you know take him for lunch at Sandton Towers or at Sandton Square if I recall. So I have no real, I have no knowledge of his

business but I remember having lunch with him.

L JONSON: What did you talk about? Do you remember?

S MCINTYRE: I had my mum and dad down.

L JONSON: Oh right, did they go?

S MCINTYRE: Yeah, they came to lunch as well. So there I have got my mum and dad down, I have got my wife, I have got my toddler sort of one-year-old child and no, one-and-a-half-year-old child and one brand new baby three-months old or something. And my mum and dad down and I have got to look after this guy. So, so yeah so I met him. I recall that name because I remember the Shorts link which was interesting being a regional aircraft business and Shorts aircraft being another regional aircraft company in the UK.

L JONSON: Did you know he was an advisor?

S MCINTYRE: I had no idea, I mean it is certainly your information now that tells me that so I don't know.

L JONSON: Okay.

S MCINTYRE: I didn't know anything about that.

B SMITHWHITE: Sorry do you recall who asked you to go and meet him at the airport?

S MCINTYRE: You know I don't, probably Niall I think would have said, 'No, there is this guy that needs to be looked after so.' So I imagine it was probably Niall.

B SMITHWHITE: Anything else on Roberts then?

L JONSON: Not at the moment.

B SMITHWHITE: Okay if we can go back to Fana Hlongwane and if



we can think about 1998/1999. Did you do any work in relation to OFFSET?

S MCINTYRE: In? Sorry, which period was it?

B SMITHWHITE: 1998 and 1999, did you do anything on OFSET or was it purely DENEL at that stage?

S MCINTYRE: In terms of the campaign?

B SMITHWHITE: Mmm.

S MCINTYRE: Yeah I mean we, I mean in 1998 we were, at the beginning of that year we were working off the OFFSET proposals so I spent a couple of weeks in Sweden as I said working up the actual proposal documents.

L JONSON: Did Fana Hlongwane himself advise in relation to OFFSET?

S MCINTYRE: No, I don't think so. I don't think so at all. Sorry I didn't realise it was Fana you were-

L JONSON: Sorry.

S MCINTYRE: No, I don't believe he was involved in that at all. The only discussions we had with him at that stage was in relation to the DENEL sort of partnership that we were discussing.

B SMITHWHITE: And how did the relationship with Fana evolve in say 2002 onwards?

S MCINTYRE: Well I think as I said the sort of, you know my relationship with Fana sort of lived through this long-running discussion with regard to the DENEL strategic partnership so he had the changed of Minister in 1999, you had the new Minister, new Director General coming in. Fana was still a member of the board and I think as I said in sort of late 2000 we were invited to

enter formal discussions with DENEL. We assembled that team you know. And so my interaction with Fana was around that all the time. I believe, my memory is jogged by the, no I think he left DENEL as a, you know as a, left DENEL some time in mid-2002, 2001 was it?

L JONSON: 2001, yes.

S MCINTYRE: 2001, you know and at that point he was engaged then in setting up his own black empowerment company and you know becoming a, you know a consultant you know to companies like BAE, you know advising on campaign strategy and issues. I mean for us it was really important to progress our NIP correctly. There were empowerment issues, we needed to get right in the way we structured our project so it was you know, it was entirely logical I thought at that stage to engage somebody like Fana to help us with our strategy and with our prosecution of those obligations. So, you know so the dialogue I suppose started to migrate towards that sort of, the relationship started to migrate towards that sort of relationship where we would then start, you know we were consulting on what we were thinking. And just as we had Richard in the years gone by.

B SMITHWHITE: Mmm.

S MCINTYRE: And as I said earlier, you know he had, sometime in sort of late 2000/early 2001 he had introduced me to this chap Stephen Lafa on the media account campaign, which had been a very,

very positive thing for him to do at the time because Stephen was extremely skilled at helping us develop our media strategy in response to on a day to day basis. So, you know that, I think as early as then he sort of you know he was, you know the relationship had was a fairly good one. So, yeah I mean that was the nature of my relationship with him.

B SMITHWHITE: And how was the relationship between Fana and BAE formalised and put into writing?

S MCINTYRE: Well I think it was formalised through Nick Franks and Bernard Collier and you saw the interchange in the memo in there. You know there was obviously a proposed, I don't recall the details of the negotiation because I wasn't involved in it but there was a proposed structure you know put to him. He wasn't very happy about it and since I was the guy who you know, tended to have most of the interface with him through all the DENEL history on that one he took me to one side and said, 'Look I don't know what these guys are playing at. Do you want to go back to them?' So I did, as a messenger I went back to them accordingly. But the deal, the relationship was structured very much you know by Nick Franks and Bernard Collier.

B SMITHWHITE: What was he not happy with?

S MCINTYRE: Oh, a thing, again I think he was, the whole thing was about achieving the various NIP milestones where there were you know significant on-demand back guarantees which the company was

exposed to. And so, and the company was engaged in a variety of projects. A lot of, I don't know there were something like 40 projects at one time on the table, you know actively under management. But amongst the 40 projects, there were two or three that were quite strategic. Like we had this, there was a project where we were investing in a HIV research operation down in Durban or the Durban area. I'm not quite sure where that's got to but...

And you know where there was a very real possibility that you know significant medical advance could be achieved by that. And clearly a product of that ilk you know had a much more strategic context in South Africa than just the simple, you know, invest in that manufacturing business you know type of thing. So it was clear to the, you know the NIP team at that stage that in order to negotiate if you like the benefits of the success of that type of project with the DTI it was going to be necessary to have a fairly strategic discussion. And Fana was the sort of person you know, who could you know introduce you to the right people to have that discussion with. So, I mean that was the sort of, that was the nature of the relationship as far as I was aware.

L JONSON: Were you aware of how much he was due to receive under this agreement?

S MCINTYRE: All I was aware of were the numbers that were sort of reported to me and I can't remember what

the thing says, but I mean I don't recall it being particularly significant. You know I don't, you have been talking about numbers of millions and this, that and the other. These were, I recall it being maybe 40,000 rand or something or £40,000 or something a month or. There was some sort of retainer-based structure but it wasn't in the millions by any means.

L JONSON: You received, I can give you precise figures but at some point he was certainly receiving £250,000 a quarter.

S MCINTYRE: Well that would be consistent with my recollection of about £50,000 a month or something.

L JONSON: So, right a million a year. But on top of that, he received a number of ex-grata payments in the millions of dollars. Did you know anything about that?

S MCINTYRE: No, I recall, I recall there was a concept in the structure that if milestones were achieved then there was some sort of bonus arrangement.

S BARKER: And is this on the 2002/2003 contract these payments?

L JONSON: Yes.

S BARKER: This is in 2000.

L JONSON: This is 2003.

S BARKER: So after February 2002 for example?

L JONSON: Yes.

S MCINTYRE: So this is what my recollection is, it says on page 51 of your disclosure. It says, you know there was clearly a success amount being

discussed right that was being split on milestone one, two and three and there was a long debate about how to split this sort of success bonus between the various milestones. And if I recall and again it is reading this note and I wrote at the time the issue was clearly one that the original proposal was to put the bonus, wait for the bonus towards the very last milestone. And his input to me at the time clearly was that you know a lot of the work that he was going to have to do to you know to introduce us to the right people to talk about these strategic projects was going to be in relation to the early ones so clearly he was negotiating from the position of saying, you know you should spread it a bit more evenly. And that is, you know and that is the input that he gave me at the time which I passed back to these guys.

L JONSON: Do you have any recollection of ex-gratia payments being made for work done in the past?

S MCINTYRE: No, not at all.

L JONSON: Sorry; for the benefit of the tape that Docman reference was 00954-0000-050.

B SMITHWHITE: I just have a question about that document there, 51 in your fifth paragraph. It says, 'He suggests further that the monthly payment in the first share be increased to reflect the significant resources we are asking him to deploy in the name of NIP.' What resources were you referring to?

S MCINTYRE: I think that relates to his organisation. I mean he had set up this consulting organisation in Johannesburg. He had, I mean I don't know how many people he had working for him but he had, he must have had you know about six or seven different people working for him in various capacities. So it wasn't, you know this was not just us hiring a person on a salary. This was us employing a consulting organisation to help us with a very, very significant you know business obligation.

L JONSON: Did they provide written reports?

S MCINTYRE: I don't, because this was a relationship between the NIP activity and that organisation.

L JONSON: So the people to talk to are Bernard Collier and Nick Franks?

S MCINTYRE: Well those were the guys who were running it. I don't, I have to say I don't think there were any reports because I think like the relationship with Richard Charter back in the early days it was a very continuous interaction on strategy and on projects on issues. So I don't think it was ever captured on you know in a formal report of we had done this and you have to do this and what have you. A very live activity.

L JONSON: How would people remember though whether you know people were giving them for example good value for money without some kind of written update as to things people had achieved.

S MCINTYRE: I don't think the process you know really worked

that way. This wasn't a sort of, you know, you ask somebody to do something they go away and do it, you don't hear from them for several months and they write you a report back saying, 'I have done it.' It wasn't that type of thing. These were very live discussions the whole time you know. So if there was you know, take this HIVEX project for example. I think if I recall I think Fana got very involved himself in that project and in driving it forward. I think there was a guy, I am trying to remember the guy's name, Victor Amafaseu who you know, you was appointed as the managing director of that project. He was a doctor and you know I think he and I think you know Fana knew him from sort of. And so these were very live activities you know. There was no, there wasn't a sort of, to my recollection anyway there wasn't a sort of reporting and reporting back type of structure. You know this was a consultant who worked very much with the team consistently through the period. I don't quite, I mean I don't recall any reports that were written and the measurement of success was in terms of you know the success we had in negotiating with government on the manner in which our contracts were, our projects were viewed.

P REIDY:

Okay, this is the end of tape 3; the time by my watch is 12.32.

**(End of Tape 3)**

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TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON  
THURSDAY, 22<sup>ND</sup> NOVEMBER, 2007.

CASE REFERENCE RLI02

TAPE 4 OF A BATCH OF 5

PERSON BEING INTERVIEWED: MR STUART MCINTYRE

PERSONS PRESENT:

MS LYDIA JONSON	-	SERIOUS FRAUD OFFICE
MS BRENDA SMITHWHITE	-	SERIOUS FRAUD OFFICE
MS PATRICIA REIDY	-	SERIOUS FRAUD OFFICE
MR STEPHEN BARKER	-	SOLICITOR

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P REIDY: This is tape four of the Section 2 interview with Mr McIntyre. The time by my watch is 12.58. Mr McIntyre, please would you confirm that we have not discussed any matters relating to this case during the interval since the end of the previous tape please?

S MCINTYRE: I can confirm that.

P REIDY: Thank you.

B SMITHWHITE: Okay we have just had another short break there. We were talking about Fana Hlongwane-

S MCINTYRE: Yeah.

B SMITHWHITE: -at the end of the previous tape. I have just got a question going back to 1998 and 1999. Do

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S MCINTYRE:

you recall the name of Dr Mji? Which is M-J-I? Yes, I do. Diliza Mji. He was a guy who we met I think through Richard Charter originally in I don't know, in the course of the campaign. He, I believe this is where the BAE South Africa thing was occurring because I think he was asked to be chairman or a director of BAE South Africa. I think, and this was in the context as I said at the time of a sort of, you know, what should our corporate presence be and how should we be? We exist in a country you know, I think BAE South Africa was set up and you know, a sort of board was assembled which I think included Diliza on that. I don't recall, frankly I don't recall very much other activity with Diliza. He may actually have been a member of the DENEL board potentially at that sort of time. The, and I believe he went on to be involved in a consortium that bought a share, a black empowerment consortium that bought a share in, I'm trying to remember the name of the company. But it became, it was then bought by Vickers but it was the Reunart, Reutech, am I right? Well it was a company that was involved in South Africa in military vehicles. And it was, and he bought into the company in this empowerment consortium as far as I am aware. It must have been 1998/1999 something like that. And the company was then bought by Vickers and interestingly as a consequence of a subsequent deal in the UK was bought by, basically bought

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by BAE.

B SMITHWHITE:

Mmm.

S MCINTYRE:

In like 2002, as a, so like this entity may have become this small subsidiary of Vickers in the UK was then bought by BAE in 2002/2003. So I think actually it is now part of BAE. So I recall his name from that and he was one of the many people that we kind of met with, so I recall that name.

B SMITHWHITE:

Do you recall any circumstances around the departure stopping of work by Dr Mji at all?

S MCINTYRE:

No, I mean I recall him being you know we met. I recall him sort of being there and then kind of not really being there much. You know, you sort of, you know I think he got involved in this project and you know we were working with DENEL at that stage and you know, this company was another private company that was effectively a competitor of DENEL at that stage. Because they both were sort of involved in the military vehicles side of things as well. DENEL had a military vehicles division. So I, I wasn't involved in any dealings per se with him but I just have a sense that he was kind of, he was there, you know somebody that we interacted with at one stage. And then later he wasn't, I don't really recall any particular events.

B SMITHWHITE:

Okay.

B SMITHWHITE:

We know that Hlongwane through his company Hlongwane consulting has an agreement with BAE.

S MCINTYRE:

Yeah.

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B SMITHWHITE: Does Hlongwane consulting have an agreement with SANIP at all?

S MCINTYRE: I, my, SANIP and BAE to me are effectively in the same thing. So, I am not certain how one would assume, I mean I think-

B SMITHWHITE: Would he have perhaps a local agreement with Bernard Collier's office?

S MCINTYRE: I think that was the agreement, as far as I am aware that was the agreement that was being discussed here. Because Bernard ran SANIP and I think, I don't know what the technical legal ownership structure of SANIP was. It might have been half Saab and half BAE or be owned by the Gripen joint venture between BAE and Saab or. But it was, it was you know, it was effectively a, it was a part of our sort of delivery structure, organisational structure so if you said he had a contract with SANIP my, you know I would view that as being effectively a contract with BAE. As I say, I wasn't involved in the contract so I don't know exactly who he had a contract with at the end of the day.

B SMITHWHITE: Okay.

During the course of the investigation, we have obtained information that Fana was paid through Arstow which is Alex Roberts' company and he was paid around £5.9 million in and around early 1999. Does that surprise you?

S MCINTYRE: Yes, I suppose. I mean I had no consciousness of their being any arrangement at all. Fana was somebody that we dealt with as I said.

L JONSON: I should say payments started in 1999 but continued and the bulk I think came through in 2001.

B SMITHWHITE: Yeah.

L JONSON: Is that right do you think? I could be wrong.

S MCINTYRE: From 1999 to when?

L JONSON: To-

S MCINTYRE: Continuing?

L JONSON: Well I am afraid it is continuing. We are not at the bottom of those yet with, they are still coming through.

S MCINTYRE: I mean that is a surprise to me.

L JONSON: Could- sorry you carry on.

B SMITHWHITE: Do you know who would be able to help us with any of that?

S MCINTYRE: I mean I don't. I've you know, as I said I have you know, no knowledge of Arstow. I met Alex Roberts once as I said. I think I was probably on the phone to him you know once or twice other than that you know, just private. But you know, yeah I am very surprised at that. No idea of that.

L JONSON: Can you think of any reason why BAE would opt to pay Hlongwane through another company, another agent rather than just have the consultancy agreement with him there self?

S MCINTYRE: I really don't know. You know, those, you know those sort of, as I said the advisor dealings with BAE were just not something I was involved in. So I can't speculate; I am surprised by that.

B SMITHWHITE: That is all from me on the Fana end.

L JONSON: Okay, should we go to individuals?

B SMITHWHITE: Yeah. Okay, I would like to run through some names with you, if you could just tell us about your relationship with them, how often you met them and what was discussed.

S MCINTYRE: Yeah.

B SMITHWHITE: If we can start off with Llew Swan.

S MCINTYRE: Llew Swann, I first met Llew Swann in 1995 when he came to, he was CEO or some appointment within this, within Reutech, Reunalt. It was about Tony Ellingford. So Ellingford and Swan were both the sort of senior managers of Reutech and they came to the UK in 1995 as part of industry delegation we hosted here. South African industry delegation, as part of that early sort of marketing campaign. He then to my, so this is my understanding of his relationship through this thing-

B SMITHWHITE: Mmm.

S MCINTYRE: He, I am not sure when he left Reunalt but he ended up being appointed as, I think CEO of Armscor. I don't think he was chairman, that was [inaudible] but I think he was appointed as CEO of Armscor. I think Ellingford emigrated to Australia at some point, I don't know 1999 or something like that. And I am not certain when he left Arms Corp but that is my understanding and he was, you know an industrialist that we had you know. Just a good, solid networking relationship with and that we, I couldn't say, I

mean I am sure he was invited to our Christmas party every year and you know, I am sure as CEO of Armscor we would have met him as appropriate in the various discussions before, during and after the campaign. That was Llew. Interesting additional aspect there was I believe that Reunalt and Reutech or whatever, that was the defence company that the US were suing for breaching an arms, because they had a subsidiary called Foots Fuses and I believe that that was the company in conjunction with Armscor that was being sued by the US State department for breaching the arms embargo to Iraq in 1999 or something. So I think Llew Swan and Tony Ellingford and others were part of that.

B SMITHWHITE: Mmm.

S MCINTYRE: Which made it kind of, it comes back to that sort of, this sort of slightly tense US/South African relations at the time of this defence programme because you know, you actually had an ongoing sort of prosecution in the States. And I think he had some involvement in that.

B SMITHWHITE: Did you have any personal contact with Joe Modise at the time?

S MCINTYRE: I think I, I had two that I recall. One was I think I attended a meeting in Cape Town probably in 1995 very early sort of introduction type meeting where I was with Allan MacDonald. And we went to that meeting you know, because there as the sort of underling. And then I attended his funeral. Which was I think in 2002 perhaps

but I had no dealings with the man.

B SMITHWHITE: Who within the BAE setup would have the contact with Joe Modise?

S MCINTYRE: It would, yeah as I said before we had a sort of, a natural hierarchy in our organisation and we matched that off so the person who would do, you know who would interact with the Minister would be Allan MacDonald. He would come into the country and they would have a sort of, you know a formal meeting you know which was a normal courtesy which went on. I think Charles Masefield; head of DESO did that a lot as well. You know, so that those types of interactions were all handled you know at that level. You know, I imagine Niall as Allan's direct reporting country would be involved in setting those up for the, but you know I don't know whether he met the Minister in the course of doing that or not but he would kind of set up those meetings. It was Allan's diary to set up.

B SMITHWHITE: Okay, next one is Thabo Mbeki.

S MCINTYRE: What President of South Africa?

B SMITHWHITE: Yes, any contact?

S MCINTYRE: I have, I can, I have never met Thabo Mbeki. And so, yeah I know him only by reputation and I have never met him.

B SMITHWHITE: Okay, next one is Chippy Shaikh.

S MCINTYRE: Chippy Shaikh, yeah. Well-known name in this arena. He was the chief of acquisitions in Armscor so he was the official that was, you know ultimately the sort of the mechanic. The



sort of chief mechanic in the procurement operations of Armscor. And you know we had, he was one of the people that we routinely networked with. Again, you know despite all the, you know, malignment of the Shaikhs and his brothers and this, that and the other in the process you know. I found the guy thoroughly professional, you know throughout. But there we are.

B SMITHWHITE: Next one is Roland White.

S MCINTYRE: Roland White I recall, I might have met him once in some, I think he attended some, an NIP review meeting that I was at in 2000/2001 maybe. Because I think he was appointed to the, the sort of South African NIP. I think I am right, I might be wrong. But I, you know other than that I know he was a member of the negotiating team but as I say I didn't have any involvement in that so I didn't meet him to be honest. I wouldn't recognise him if he walked past me on the street.

B SMITHWHITE: Next one is Tony Yengeni.

S MCINTYRE: Tony Yengeni, yeah, colourful character. He was the chairperson of the standing committee on defence and again was somebody we networked with a bit. I think I might have met him once or twice in Cape Town. It was, he wasn't particularly approachable frankly but you know I didn't have any real dealings with him at all but he fell foul of misleading parliament by taking out a full page ad saying he had not

received a discount from Mercedes when it was clear he had so he was put in jail for-

L JONSON: Four years.

S MCINTYRE: -four years for defrauding Parliament or some such. That was Tony Yengeni.

B SMITHWHITE: Next one is Ronnie Kasrils.

S MCINTYRE: Ronnie Kasrils, yeah I, again this was, I think Allan, this was a, Ronnie Kasrils is a... I can't remember what his various appointments were but he was a Minister in government. His wife Eleanor Kasrils was born in Kilmarnock Royal Infirmary, which is where I was born. And, interesting, interesting intersection. But he, my, I had no dealings with Ronnie Kasrils at all but there was one project we were doing in the early good corporate citizenship programme where there was some disadvantaged community in the Drakensburg Mountains that produced fancy pottery or something and she was raising sponsorship to fund this community. And we provided some funds. I don't know how much, not a great deal. And so I met her once or twice in the course of that. I went to the unveiling at the Everard Read Gallery in Johannesburg. With this pottery but so I knew Eleanor Kasrils, Ronnie Kasrils I may have met once or twice in the general course of you know, tailing Allan around in the very early days but I had no interactions with him on my own.

B SMITHWHITE: And one name that we mentioned before Stella Sigcau.

S MCINTYRE: Stella Sigcau well she was the Minister for Public Enterprises during 1998 and 1999. I think she handed that portfolio on to Jeff Radebe. She was a very nice, very, very nice lady and I had various interactions you know as part of the BAE team you know in the course of that you know that dialogue. Again, very, very mature, very sophisticated individual, very professional.

B SMITHWHITE: Okay, the next one is Jayendra Naidoo.

S MCINTYRE: Jayendra Naidoo was the chief negotiator sponsored by government to lead the negotiations with all the various parties. Again, I had no dealings with him. I don't recall being at any formal meetings with him. I think there may be one meeting that I attended early in 1999 which he was at. So, again I have no real, I think he then left government and set up his own consulting company called J&J with another guy called J Naidoo which made for a very confusing oration.

B SMITHWHITE: The last South African person to mention is Trevor Manuel.

S MCINTYRE: Minister of Finance, yes, I never met him. But again a very well known politician.

B SMITHWHITE: Okay, I'll move on to some BAE personnel.

S MCINTYRE: Yeah.

B SMITHWHITE: If you can sort of talk us through their role in the Hawk Gripen contract.

S MCINTYRE: Yes.

B SMITHWHITE: Andrew Humphries?

S MCINTYRE: Andrew Humphries, he when we first started in sort of 1995 he was the industrial offsets manager at Warton. And, as we were developing sort of the early part of the campaign in South Africa and offsets were going to be an issue we started working with Andrew. He then, I think he then, when I went to South Africa in 1996 at some point in 1996/1997 I am not sure when he was taken on by Allan MacDonald in Farnborough to join Allan's marketing team. Allan was now in charge of Asia and other places as well so he became, you know he worked with Allan as a sort of aide du camp type, you know person. And then he, and interestingly then he appeared back from South Africa he was appointed by Niall, by Nick Franks in 2000 to sort of be a part of this DENEL team. And so he was then based in South Africa for two or three years. I am not sure exactly when he left us. I think he left just after me, some time in 2004.

B SMITHWHITE: Okay the next one is Mike Turner.

S MCINTYRE: Mike is the chairman, the chief executive of BAE. My only contact with Mike in this period was at Wisley in about let me guess, No, I know exactly when it was in Wisley in September 1995 when we had this special delegation over from South Africa and they golf-game. Because we had the, we basically took this delegation, you know, meetings on the Friday. We had South Africa as newly crowned World Cup, rugby world cup champions playing England at Twickenham so

we had this delegation at Twickenham. And then on the Sunday we set out to golf at Wisley where the bets were established at the dinner on the Saturday night and were not in favour of underlings like myself. It was like £50 a head between the teams and then there was, so I had to make sure I won.

L JONSON:

Yes.

S MCINTYRE:

- which I did so of course David Williams who was also playing, I had to take his £50 which I also did.

S BARKER:

If there is a game of golf to be organised ask a Scotsman.

S MCINTYRE:

And Mike Turner, I think Mike Turner played in that game as well but I had, I think I had, that was the only time I think I met Mike in the whole time at BAE.

B SMITHWHITE:

Okay and the next one is Sir Richard Evans, any contact with him during the campaign?

S MCINTYRE:

I have never met him. He is obviously a very well known individual in the sort of likes of British Aerospace. But again, I have never met him. No.

B SMITHWHITE:

Okay, next one is Chris Geoghehan.

S MCINTYRE:

Chris Geoghehan, yeah I know Chris Geoghehan. He, when I met him a number of times in Farnborough in 2000/2001. He was a bit of a mentor to me really. You know in BAE so, when I came back I working in FSL and the whole tier structure but he was sort of the head CEO that I worked for and so I used to, he was, Chris was

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basically my sort of mentor.

B SMITHWHITE:

Mmm.

S MCINTYRE:

In the company and so, I knew Chris quite well.

L JONSON:

Did he have anything to do with South Africa?

S MCINTYRE:

Say again?

L JONSON:

Did he have anything to do with South Africa?

S MCINTYRE:

Not that I recall. He, I think he had in the past marketed in South Africa, in an old, I remember him saying once that he used to sell HS 748s in a very early part of his career in BAE. And being in South Africa on that in parts but that was all. That is probably mid-70s or something like that.

B SMITHWHITE:

Steve Meighan.

S MCINTYRE:

Steve Meighan was a Celtic Football supporter, season ticket-holder. I first met Steven when, he used to work for Charles Masefield at DESO. I am not certain when he left DESO but it might have been, he was certainly working for, I think he was working for Charles when we were sort of working out this government to government thing in sort of late 1996/ early 1997. I think sometime after that, maybe the end of 1997, maybe early 1998 he left DESO and joined, and again was recruited by Allan. And subsequently took over some responsibility in the Far East, as you know part of Allan's organisation. Again I don't, we had no involvement in that-

B SMITHWHITE:

The next one is Patrick Hine.

S MCINTYRE:

Patrick Hine, putts left-handed, backhanded, one-handed.

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S BARKER: Don't talk about back-handers please.

S MCINTYRE: No, sorry. He has got this incredible putting stroke where he putts like this.

S BARKER: Oh, he putts backhanded, sorry.

S MCINTYRE: Backhanded, one-handed, backwards, bizarre. Plays golf, he was also at that golf game. In fact, I think I actually played with him at that golf game in 1995. And I mean, once, he was, I think he was BAE's military advisor so I think, I am sure that Niall will have organised, you know a, you know I think he must have come to South Africa once or twice you know to talk to the head of the Air Force and that sort of thing. You know, from an Air Force to Air Force type perspective. I don't recall having a particularly significant input but he will have had one or two inputs. But that was Paddy Hine.

B SMITHWHITE: Okay, and Jerry Wooding?

S MCINTYRE: Jerry Wooding was the marketing director at some point in, so he was, I think Mike Rouse will have taken over from Jerry Wooding as marketing director some time in the mid-90s. I had no dealings with Jerry at all. So, I, yeah I mean it is not a name that I think was involved in any way. To my knowledge anyway.

B SMITHWHITE: And Robbie Roberts, do you know if he is still alive at all?

S MCINTYRE: I think he is still alive because he is a very good friend of David Williams and bought a house when he retired on Brenton-on-Sea, which is near Knysna on the coast of South Africa. And I

believe he did have skin cancer but I don't know. I think he is still alive. But I mean you know, he retired I think in 1995 and you know, 1994/1995. I haven't seen him since but I think Dave Williams knows him, keeps in touch with him.

L JONSON: Hugh Dickinson, anything on him at all?

S MCINTYRE: No, I didn't get involved with him. I might have met him once or twice because interestingly enough he also has a house in Brenton-on-Sea in South Africa. I don't know how long he has had it but. The reason I know all that is because David Williams bought a house in Brenton-on-Sea in South Africa and I did used to go and visit him for Christmas.

L JONSON: Right.

S MCINTYRE: In the last couple of years, we were there.

L JONSON: What about Julia Aldridge?

S MCINTYRE: Well Julia Aldridge worked I think for Hugh in Farnborough and so my only interaction with her was that time when we were looking to apply Hlongwane consulting for you know, the NIP consultants.

B SMITHWHITE: Philip Reilly?

S MCINTYRE: Philip Reilly I got involved with, Philip Reilly. He was a lawyer. He was basically the legal counterpart that I had to deal with when we were writing these various agreements with DENEL, the early MOUs with DENEL, the agreement for the Uten-Hage sports facility project. So he was the sort of legal, you know the lawyer,



the accompanying lawyer who I interfaced with on any legal agreements that we were drawing up on any of the corporate citizenship projects we were working on.

L JONSON: Okay and Rolf Rue.

S MCINTYRE: Rolf Rue, no, Rolf Rue. Rolf Rue I think came onto the scene when Allan MacDonald left and whilst Kevin Smith was appointed to run the negotiations and ran that whole team. Rolf Rue was I think the sort of marketing person that filled the sort of marketing, the sort of senior marketing shoes so I think, yeah when Allan left. I think technically Niall in early 1999 ended up with effectively a sort of a dual reporting structure where he reported into Rolf Rue from a marketing perspective and into Kevin Smith from a sort of practical, negotiation deal closure type.

B SMITHWHITE: Would he have had any dealings with the sort of agents in South Africa?

S MCINTYRE: I don't know, I don't recall him being in South Africa very much. I mean, he might have visited once or twice but I don't recall and I think he stopped being involved and he certainly wasn't involved when I took over in sort of 2000, November 2000. So it was kind of a, because I think that Nick Franks was then appointed in early 2000. Nick Franks was responsible for it and I don't think Rolf Rue was involved at all after that. He had a very transient engagement.

L JONSON: Right, thank you.

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L JONSON: Right I have done a few questions from some things we touched on earlier today and firstly if we could go back to that diagram you were telling us about of the Roman temple.

S MCINTYRE: Yeah.

L JONSON: And is it, is it just a one-page document?

S MCINTYRE: I think it was a, you know this was a presentation that we were putting together you know in 1995 to describe the sort of emerging you know campaign that we were running, it would have been a part of a slide in a Power Point presentation.

L JONSON: What I am looking for, is there any document or has there ever been any document in existence which would record what you did, what Niall was doing, what Allan was doing? Some form of long-standing-

S MCINTYRE: A roll division or something or-?

L JONSON: Well something that might show the progression of the campaign?

S MCINTYRE: Not that I recall, you know it was, you know this was a very complex campaign in the sense that there were, it was a very, firstly it was Green Field market when we arrived. BAE had sort of, as part of the whole anti-apartheid arms embargo or what have you had not been engaged in South Africa at all. And with the new government in 1994 you had a complete political shift and you know, so in a sense it was a Green Field market. So in a sense our campaign was a, you know, started off with just

understanding what it was and you know getting understood, getting ourselves understood and then sort of living with you know networking amongst the community as they develop their policy. And understanding that policy so..

L JONSON: But how would you be able to record the knowledge that you had gained so that other people wouldn't for example go and network the same people or ask the same questions?

S MCINTYRE: I mean it was, we were just a very close team you know and we talked. And there was a sort of clear understanding that you know Allan would deal with the, you know with the senior guys and you know, I would deal with the sort of industrial guys and Niall would deal with the Air Force guys and you know, there was just a sort of clear. You know, those were the skills and the sort of, that was the sort of distribution. But it wasn't as if Niall couldn't deal with the industrial guys and I couldn't deal with the Air Force guys or what have you. No, it was just, it was much more fluid than that. There was just never any need to write that down. That was just how it was.

L JONSON: You can't think of any type of ongoing report that would be printed off periodically and sent back to the UK for -

S MCINTYRE: No, this is the thing, it, you know this was a very close activity. It wasn't a sort of you know, hire an organisation, park it there you know. Give it some instructions, forget about

it, wait for it to give you feedback back. In a sort of, it was just a, it was like the office next door, the team next door. You just had a continual discussion the whole time.

L JONSON: Right.

S MCINTYRE: On the issues and so strategy formed and emerged and developed continuously throughout it and it was actually very rare for there to be a, you know a formal organised setting down of the strategy. And I think the two or three versions of it that you have got here probably are the only ones that I can recall at all.

L JONSON: Right, okay.

S MCINTYRE: You know, where Allan at a particular point in time would say, 'Look this is a thing where were are and these are the things that we need to do and we are going to do this and this and this.' If you do all of that then you know we should be going in the right direction.' And I think that, you know that was the way.

L JONSON: Just dealing with this particular report.

S MCINTYRE: Yes.

L JONSON: I think it is our pages 20, no it is 18 to about 26/27.

S MCINTYRE: Yes.

L JONSON: In your bundle and can I just take you to, it is page 27, which is docman 01202-6000-415.

S MCINTYRE: Yeah.

L JONSON: Who drafted this document?

S MCINTYRE: Me.

L JONSON: Right. Can you just tell me what, sorry are you

there?

S MCINTYRE:

Yeah.

L JONSON:

Can you just tell me what the sentence, and this is a page, which reflects risks, 'BAE Systems failed to address marketing actions and outstanding obligations' means?

S MCINTYRE:

Yeah. I think that, I mean all of that, that all related to the various sort of marketing relationships that we had developed with DENEL in the course of the DENEL transaction.

L JONSON:

Right.

S MCINTYRE:

Where you know, we at one point we were supporting Reunalt in Australia, there were discussions on support for their campaigns in Saudi, for which we had a G6 gun campaign in Saudi. They had a similar campaign in India. There was also an issue going on in the UK where a modular charges contract, these are the big chemical explosive charges that would fire the projectiles out of a UK light gun, 105mm gun. It was a deal with where DENEL was a sub-contractor to Royal Ordnance which supplied to the UK. And there was an issue over the performance of the things. So there were a whole, throughout this DENEL transaction there was this general subtext of a collaborative arrangement between BAE and DENEL on supporting our marketing. So these were the issues and so that's you know, that was because this I think then you know, it was clear at this stage. This was beginning of 2003 right at the death of the

DENEL deal frankly and there was a, it was beginning to come, there was beginning to be a sense in South Africa that BAE wasn't necessarily all that serious about these things. So that was a big issue and of course DENEL had all sorts of people, you know, on its board and in the company. I mean Max Suzulu was the marketing director. You know son of Walter Suzulu you know who would be a big name in the industry. So it was really important to keep these guys, to be, to honour the sort of obligations that we had sort of set out in that relationship.

L JONSON: Right, okay, thank you. Going back to Kayswell which is the vehicle operated by Bredenkamp, Pelissier and Wilmans. What type of services would you expect to have seen that were worth that amount of money in this countact?

S MCINTYRE: Well you know, that comes back to the earlier question.

L JONSON: I know.

S MCINTYRE: I just can't, you know at the end of the day this was a very sophisticated, very big campaign for a very big order. I think the second, you know after Al Yamamah I think this deal was I think the second biggest single UK defence export ever. You know in terms of the 52 aeroplanes, it was a very big affair. You know the campaign structure, the advice we were getting on the sort of local environment and the issues and the way we shaped our NIP and DIP.

And you know the arguments we put around-

L JONSON: I understand all of that, I do.

S MCINTYRE: I just can't put it into context.

L JONSON: But you have got Richard Charter who from the very first tape you started on this morning you said that he was an advisor, he was there, he was assisting, he provided a local perspective. And then you have got a team whom you met three to four times in meetings in early days-

S MCINTYRE: Yeah.

L JONSON: Who are being paid £13 million more than Richard Charter. All I am just trying to find out is what they did and whether, because that is obviously a very important issue for us.

S MCINTYRE: And I can't comment on how much you know, they got and whether on the basis on which they got what they got. My interaction with them was that they were a part albeit in my interaction only a small part of that strategy formation. I was conscious that Niall was meeting Trevor from time to time and you know, every now and again we saw Jules. And you know, and you know all of the collective information that the whole network that we had went into supporting our strategy and you know, that helped us build our campaign. And you know as, you know in terms of what we offered, in terms of DIP, how the financing was structured, you know the, even down to the specification of the aircraft and so on. I mean this was a very broad range of things. I can't say what inputs they gave to

Niall that were parts of the inputs then Niall put into the team. I can't say that and I have no idea as to their actual arrangement. But I, you know, maybe they were just good negotiators, I don't know.

L JONSON: Maybe.

B SMITHWHITE: Okay. A couple of short questions from me. Were you aware of any approaches made to bidders in the Hawk Gripen contract? From people asking for money or other items to insure that there bid would be won.

S MCINTYRE: I can say that no, not ever and as I said before the conduct of the South African officials throughout this was of the very highest order. You know you had a whole range of people from all sorts of departments involved and it was a very carefully structured negotiation process and procurement process and I have to say, and I remember saying to the media at the time when we were challenged on these types of things, this was a thoroughly professional procurement process. It was of the very highest order you know and you know whatever decisions they made you know in evaluating various bids and so on you know they did I would be certain for the very best of reasons. So you know, my experience of that to a man was of a very well organised and a very professional procurement organisation. In its every form.

L JONSON: Did you know that Niall Irving had been approached by someone?

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S MCINTYRE: No.

L JONSON: He was approached by an unidentified individual in, just before the contract was signed and he was asked on behalf of the company to pay a significant sum to ensure that the contract still went in BAEs favour.

S MCINTYRE: Mmm.

L JONSON: Did he ever say anything to you about that?

S MCINTYRE: I am not aware of that.

L JONSON: Okay.

B SMITHWHITE: You mentioned before about Tony Yengemi and the issue with the Saudis and whatever he got up to. Was he ever, did he ever make any approaches to anybody on the team at all about money or-?

S MCINTYRE: Not to my knowledge at all.

L JONSON: Do you recall a circumstance, an incident where you wanted to borrow someone's car and then disappeared with it for about three days, you don't remember that?

S MCINTYRE: No, no.

L JONSON: I may have got that wrong.

S MCINTYRE: I don't quite remember.

L JONSON: The only other thing I wanted to double check and finalise was the name of the company you work for now?

S MCINTYRE: Microsulis Medical Ltd.

B SMITHWHITE: How do you spell Microsulis?

S MCINTYRE: M-I-C-R-O-S-U-L-I-S. I can tell you a bit about that as well because it has BAE links.

L JONSON: Yeah sure.

S MCINTYRE: The, when I left FSL, Allan MacDonald was

already, he was CEO of Microsulis Medical Ltd and Sir Charles Masefield was chairman. So this was in 2005. And I joined as the MD for the UK business and in 3i were the venture capital partners in the company. Allan left in January 2006 and was replaced as CEO by an American guy. The company went into debt, it was basically losing \$1.5 million a month cash which was a surprise to me when I joined because it was not suggested to me this company was struggling. Went into administration in April this year and I partnered with a, one of the previous investors a guy called Robert Priddy to buy the company from the administrator. So, June this year we bought the company out from the administrator, we actually bought the assets of Microsulis Medical Ltd today, it is actually a different corporate vehicle to Microsulis-

S BARKER: Don't tell them that. She'll be looking to passing it on to the DTI, which I'm pretty sure-

S MCINTYRE: No, Ernst and Young were the administrators of it.

S BARKER: Well that's alright then.

S MCINTYRE: I'm sure there are parts of. So there is an interesting little postscript BAE.

L JONSON: Are you still friends with Allan MacDonald?

S MCINTYRE: I haven't spoken to Allan MacDonald. He phoned me once during this buyout you know to pass on a bit of information about intellectual property. Where there is an item of IPR that we thought we were buying and actually wasn't owned by the

company.

L JONSON:

Right.

S MCINTYRE:

And so I downloaded the benefit of his wisdom. I hadn't spoken to him before then since I don't know October the previous year.

L JONSON:

Right.

S MCINTYRE:

And I haven't spoken to him since. I mean I have no relationship with Allan at all. He basically sold me a real turkey. I mean it has been great, ultimately, sitting where I am now but it has been a serious long road.

S BARKER:

Where you are sitting now?

S MCINTYRE:

Well, not right now. But you know it has been a serious rocky road you know. All the share options and great value and, you know, great challenge, and within six months he is gone and within a year after that the company is in administration. You know, and I get my P45 and have to sort of, at that point, having giving it up had a nice 15/16 year in UK PLC land, having given it up within 18 months I'm redundant so it has been a bit of a rocky road but I thank Allan for his kind introduction to the world of-

L JONSON:

What about Niall Irving do you still see him?

S MCINTYRE:

No, I don't think I have seen Niall since he left in 2000. I met him once at some BAE function perhaps in 2002, no interaction.

L JONSON:

What I would like to do is just take, we are at the end of the tapes. Take the opportunity to just run through my notes and make sure I haven't forgotten anything and wrap up in the

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first 10 minutes of this next tape if that is  
okay?

S MCINTYRE: Yeah, no problem.

P REIDY: Okay, this is the end of tape four, the time by  
my watch is 13.43.

**(End of Tape 4)**

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON  
THURSDAY, 22<sup>ND</sup> NOVEMBER, 2007.

CASE REFERENCE RLI02

TAPE 5 OF A BATCH OF 5

PERSON BEING INTERVIEWED: MR STUART MCINTYRE

PERSONS PRESENT:

MS LYDIA JONSON	-	SERIOUS FRAUD OFFICE
MS BRENDA SMITHWHITE	-	SERIOUS FRAUD OFFICE
MS PATRICIA REIDY	-	SERIOUS FRAUD OFFICE
MR STEPHEN BARKER	-	SOLICITOR

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P REIDY: This is tape five of the Section 2 interview with Mr McIntyre. The time by my watch is 13.48. Mr McIntyre, please would you confirm that we have not discussed any matters relating to this case during the interval since the end of the previous tape?

S MCINTYRE: I can confirm that.

P REIDY: Thank you.

B SMITHWHITE: Okay, I have just got two more questions to wrap things up. What do you know about a display by the Red Arrows? Can you recall that at all?

S MCINTYRE: I think there was one. I don't recall much to do with it. I think the Red Arrows were on

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some, I think the way the Red Arrows work, well again I wasn't involved, but I think the way the Red Arrows work is they go on a sort of international type of tour so they like to have, you know, two or three different events when they go on these things. So I think they were doing one, there was an air show in South Africa in perhaps 1997, but I would be guessing, and they were able to come to that air show and do a display. I don't recall much else other than that. I can't even tell you when it was.

B SMITHWHITE: And the role of the High Commission, how much impact did they have on the Hawk Gripen campaign?

S MCINTYRE: Well I think they had quite a lot of impact. I mean they were, you know, throughout the process we worked with DESO, we worked with the High Commission and we also worked with the British Consulate and became the UK Trade and Investment or the UK Directors of Trade or something structure. So the campaign was, you know we were continually interfacing with you know with people in DESO, in the High Commission and in the Consulate on what we were doing and you know they were another part of our network that, you know, would help us develop our strategy, develop our campaign and give advice and input on it. So, yeah they were a part of the team.

B SMITHWHITE: Okay. Thanks.

L JONSON: Well having asked for a new tape to be opened I have no further questions.

P REIDY: Mr McIntyre, we would like to offer you an opportunity to clarify or add anything in relation to this interview. Is there anything that you would like to add or clarify?

S MCINTYRE: No, no I don't.

P REIDY: Okay, the time by my watch is 13.50 and this concludes the interview with Mr McIntyre.

**(End of Interview)**