

PRICEWA

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For the attentio

20 June 2007

Our ref: JT/Mag

Dear Sirs

Investigation into matters raised by Mr Brian Little

Further to our engagement letter of 2 February 2007 we enclose our final report into certain areas of concern raised by Mr Brian Little. Certain matters arose in the conduct of our work that we wish to draw to your attention.

Financial control within MAC and MALUK in relation to the areas we have examined is poor and needs to be improved; this need is particularly acute given that MAC is a public company. Examples of poor financial control that we identified during our work include:

- (a) Accounting adjustments made with insufficient supporting analysis or documentation;
- (b) Inadequate understanding or documentation of balance sheet provisions and insufficient documentation of the decision to release certain provisions;
- (c) A lack of awareness of the program accounting requirements under either Canadian GAAP or UK GAAP. The accounting rules and guidelines are complex and our impression is that the principles are not well understood throughout all of the finance community within the MAC group;

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