

From: Brian Little [mailto:brian@fortfield.com]

Sent: 05 July 2009 13:43

To: 'ian.powell@uk.pwc.com'; 'christie.j.b.clark@ca.pwc.com'

Cc: 'john.f.tracey@uk.pwc.com'; 'caroline.mcquater@uk.pwc.com'; 'andrew.smith@uk.pwc.com'; 'neil.hampson@uk.pwc.com'

Subject: FW: A340 Financial Modelling - updated models - WHISTLEBLOWING - PwC follow up

5 JULY 2009

Sirs - Mr Ian Powell / Mr Christie Clark - For a number of months I have copied both of you gentlemen on some emails with Mr John F.Tracey of PwC UK . This was on a whistleblowing investigation by PwC UK and Canada for Mr W Dimma , Chair of the Audit Committee of Magellan Aerospace Corporation between January 2007 and August 2007.

Last Friday I had a teleconference review of the current status of our activity and actions in 2009, with a number of people including my Canada team . During which we spoke about the email and attachments on which you were both copied on the work below .

Given the consistency of my open approach throughout this process since 2006 it was concluded that as both of you hold responsibilities for the corporate governance and ultimately the business for the PwC firms in the UK and Canada it was in fact appropriate to now address emails directly to you on one occasion. This also provides a written record in which you are personally addressed directly by me on the quality and process of the alleged "independent forensic investigation" undertaken for the Audit Committee of Magellan Aerospace Corporation between January 2007 and August 2007. I have confined myself here to the A340 – 500/600 subject at Section 8 but a wider review is encouraged.

You will be aware that I have described the PwC report in parts as "sloppy" but perhaps more crucially the content in particular areas simply lacks accuracy / robustness and deliberately fails to include documents or information which was available to you which are manifestly crucial in your conclusions - in effect Magellan and PwC's actions have become a party to this "A340 fraud". The process followed was also inadequate. In short Mr Tracey as the lead partner and the assigned colleagues in Canada compromised themselves in producing a report through a process which did not maintain the independence from its client that one would professionally expect, and produced outcomes for Section 8 that simply were wrong in substantive content. This fear was expressed right at the outset on 30 January 2007 to Mr Tracey and he sought to reassure myself and my accountant Mr McCreery that this would not happen. There will be an extensive record of correspondence in Mr Tracey's files – I have all of it , the tapes and a summary index.

I therefore attach Section 8 of that PwC report on A340 (Canadian copy) and **we suggest that you both activate now , if you have not already done so , a thorough and independent internal PwC process to review the adherence to PwC stated Quality Standards (Mr AR Palmer as at February 2007) and your Ethics policy for this assignment. I do not know who was allocated as the PwC Quality Assurance partner on this assignment but that aspect should of necessity be reviewed now too.**

Finally it is clear from a review of the Canadian biographies of the PwC people apparently involved on A340 (Stephanie Leblanc and Stephen R. Moore, who for the record never spoke with me) were either ill-equipped in aerospace industry current experience to undertake this assignment in Canada without reference to people such as Neil Hampson and the UK team (who I have copied here) or were under instructions as to what they were to find to support the previous "no problems" report/conclusions of their client's Chair Mr Dimma. In any event the "buck", as they say, stops with Mr Tracey and both of you.

Obviously it is clearly a matter for you as to what actions you take now , but I at least we are satisfied that we have provided you both with the latest information and that opportunity now. No feedback to me on any actions you take or not is expected by us.

I believe you have all the information with PwC to conduct an independent investigation of your own "Report and processes deployed" and should you require any further information then please do not hesitate to have a "genuine" independent person make contact with me.

As you can see in the AGM notes attached for my part as a shareholder of Magellan Aerospace I will continue to press others to "recognise the reality on A340 NRC" and to seek a reimbursement of the £1m in professional indemnity from PwC for their \$3m