

RESTRICTED

SRWANI



10 DOWNING STREET

From the Private Secretary

Sir Robert Armstrong

WESTLAND

The Defence Select Committee asked Sir John Cuckney on 22 January whether he would let them have copies of his letter of 13 December to the Prime Minister and the Prime Minister's reply of 17 December. I enclose copies for ease of reference.

Sir John stalled, but has subsequently told us that he would be happy to release the letters if the Government is content.

I can see no objection of substance to release. But you will wish to consider the point in relation to the wider question of release of documents to the Committee.

I understand that Sir John and the Committee are pressing for an answer in the course of 24 January if possible.

I am copying this minute to the Private Secretaries to the Trade and Industry Secretary and the Defence Secretary.

(C. D. POWELL)

23 January 1986

TJ

RESTRICTED



10 DOWNING STREET

Mr Powell,

We need to
consult about office
and then the P.N.
My view is that if
so J. C. is willing
to disclose, we should
not object. We
can ring fence on
grounds it is incompatible
with a member of the
public who is willing to
disclose. N.L.W.
23.1

CONFIDENTIAL

Mr. Wicks.

Mr. Powell

There is certainly nothing
in the substance of these
letters to prevent disclosure.
But indeed they may have
been

WESTLAND

I took a call on your behalf this morning
from Mr. Gueterbock who was ringing from
Westland.

the press. I am trying to
find out. But you will wish
to consider

When Sir John Cuckney appeared before the
Defence Committee yesterday the correspondence
between Sir John Cuckney and the Prime Minister
of 13 December and 17 December was discussed.
The Committee asked for copies. Sir John
Cuckney said that he did not have copies
of the correspondence with him, and that
in any case he would need the Prime Minister's
agreement to release the letters.

principle.

CDN
23/1

Sir John Cuckney thinks the letters are
innocuous and from his point of view would
be happy to release them but wants to know
the Government's view.

I told Gueterbock that it was unlikely he
would receive a reply today. The Clerk
to the Committee will be told that the question
is being considered and he will have a reply
as soon as possible.

David Norgrove

DN

23 January 1986



10 DOWNING STREET

CDP

John Mogg says
SS/DTI is currently
seeing Sir John
Cuckney & Lord
Farnshawe at DTI.
It's attracting a
lot of press — they
have notified a line
to No 10 Press Office

Julie

15.1.86

NOTE FROM DTI TO TF AS DICTATED BY TELEPHONE ON 15 JANUARY

Sir John Cuckney was told in confidence of the conclusion of the meeting later that day. This was confirmed to him in writing on 12 December. The Government's decision that it would not require the repayment of launch aid in certain circumstances was implemented by an exchange of letters on 12 December.

On 10 December dealings in the company's shares were suspended. On 19 December Westland announced its preliminary results for the year ended 30 September 1985 showing a loss attributable to shareholders of £98.7 million.

NI5578 3 XXX 40

URGENT-WESTLAND

WESTLAND CHAIRMAN SIR JOHN CUCKNEY ANNOUNCED THAT OF 42 PER CENT OF SHAREHOLDERS WHO HAD SENT PROXY VOTES, 71 PER CENT BACKED SIKORSKY-FIAT BID, AND 20 PER CENT HAD LEFT IT TO HIS DISCRETION.

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121836 JAN 86

By my calculation he needs
another 37%.

TEXT OF LETTER FROM LORD HANSON TO SIR JOHN CUCKNEY

Prime Minister
These purchases
are last week's. The
new fact is that
Lord Hanson has
gone public.
C.D.P.

Dear John,

This is to advise you that we have completed the purchase for long term investment purposes of 8,886,972 shares in Westland which I understand represents 14.9% of the equity. I enclose a formal letter on this subject. As you may know our subsidiary Air Hanson, the Weymouth based helicopter operator formed in 1973, has for many years had operational arrangements with your company and with Sikorsky. It is hoped by means of this investment that Air Hanson will be able to strengthen these interests in future. Since these purchases were made without your knowledge I thought I would send you a covering note.

With very best wishes for your endeavour.

Hanson



Lord Hanson

180 Brompton Road
London SW3 1HF
Telephone (01) 589-7070
Telex 91-72-02 Hanson G

January 15, 1986

cc Mr Wicks
Mr Wiggins

CABINET OFFICE	
A	518
16 JAN 1986	
FILING INSTRUCTIONS	
FILE No.	

Dear John -

This is to advise you that we have completed the purchase, for long term investment purposes, of 8,886,972 shares in Westland PLC, which I understand represents 14.98% of the equity. I enclose a formal letter on this subject.

As you may know, our subsidiary Air Hanson, the Weybridge based helicopter operator formed in 1973, has for many years had operational arrangements with your company and with Sikorsky. It is hoped, by means of this investment, that Air Hanson will be able to strengthen these interests in future.

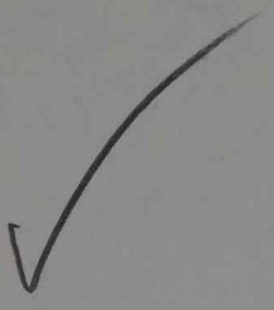
Since these purchases were made without your knowledge I thought I would send you a covering note.

With very best wishes for your endeavours.

Sincerely

James

Sir John Cuckney,
Chairman,
Westland PLC,
4 Carlton Gardens,
Pall Mall,
London
SW1Y 5AB



PRIVATE &
CONFIDENTIAL

WITH COMPLIMENTS

Lord Hanson

CHAIRMAN, HANSON TRUST PLC

180 BROMPTON ROAD
LONDON SW3 1HF ENGLAND

(01) 589-7070
TELEX 91-72-02



Hanson Trust PLC

180 Brompton Road, London SW3 1HF
Telephone (01) 589-7070 Telex 91.76.98

January 15, 1986

The Secretary
Westland PLC
Westland Works
Yeovil
Somerset BA20 2YB

Dear Sir

In accordance with the terms of Sections 198 and 202 of The Companies Act 1985, we hereby give you notice that Hanson Trust PLC has purchased 8,886,972 ordinary shares of 25p each in Westland PLC, which we understand to be 14.98% of the issued ordinary share capital. The shares will be registered in the name of our wholly owned subsidiary, Cheval Securities Limited.

Yours faithfully

Alan Hagdrup
Director

Directors: Lord Hanson (Chairman) D. N. Rosling (Vice-Chairman)
B. A. Hellings A. Hagdrup M. G. Taylor A. G. L. Alexander C. G. F. Harding
J. H. Pattison D. C. Bonham Sir Gordon Booth KCMG CVO E. D. Collins (USA) H. G. Ashton DL
Associate Directors: D. H. Clarke (USA) A. R. Cotton P. J. Harper



N16419 5 XXX 57

URGENT - WESTLANDS VOTE

THE WESTLAND RESOLUTIONS FOR THE SIKORSKY PROPOSAL WERE DEFEATED AT TODAY'S POLL.

ONE RESOLUTION HAD 65.2 PER CENT SUPPORT FOR SIKORSKY - 34.8 PER CENT AGAINST. THE OTHER HAD 65.4 PER CENT SUPPORT FOR SIKORSKY - 34.6 PER CENT AGAINST. EACH RESOLUTION HAD NEEDED 75 PER CENT TO WIN.

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PRUDENTIAL SELLS WESTLAND SHARES

ANOTHER MYSTERY DEAL IN WESTLAND SHARES, INVOLVING WELL OVER £5 MILLION, WAS CONFIRMED TODAY IN THE CITY.

PRUDENTIAL ASSURANCE, BRITAIN'S BIGGEST INVESTOR, CONFIRMED THAT IT HAD SOLD ITS HOLDING OF 2,606 250 SHARES, EQUIVALENT TO 4.4PER CENT OF THE COMPANY, TO AN UNNAMED BUYER.

A SPOKESMAN SAID THE SHARES WERE SOLD AT A 'SUBSTANTIAL PREMIUM OVER THE CURRENT MARKET PRICE' BUT DECLINED TO COMMENT ON REPORTS THAT THE DEAL WAS STRUCK AT 150P A SHARE.

THE PRUDENTIAL IS BELIEVED TO HAVE SUPPORTED SIR JOHN CUCKNEY AND HIS BOARD AT LAST FRIDAY'S VOTING ON THE SIKORSKY PROPOSALS. ALTHOUGH IT DECLINED TO COMMENT TODAY ITS SHARES ARE BELIEVED TO HAVE GONE TO A BUYER WHO WANTS TO SEE A DEAL WITH SIKORSKY SUCCEED.

HANSON TRUST, REVEALED LAST WEEK AS THE MYSTERY BUYER OF ALMOST 15PER CENT OF WESTLAND AND WHICH SUPPORTS THE BOARD, IS NOT THOUGHT TO HAVE ADDED TO ITS HOLDING.

IT WAS REPUTED TO HAVE PAID A MAXIMUM OF 125P FOR SOME OF ITS SHARES.

MEANWHILE, WESTLAND SHARES WERE CLIMBING AGAIN ON THE STOCK EXCHANGE TODAY. AT ONE POINT THEY HIT 108P BUT THEN SLIPPED TO 106P, STILL 11P OVER LAST NIGHT'S CLOSING LEVEL.

THE WESTLAND DIRECTORS ARE STILL WORKING ON NEW PROPOSALS WHICH WOULD AGAIN COMMIT THE COMPANY TO SIKORSKY RATHER THAN THE RIVAL EUROPEAN CONSORTIUM.

SHAREHOLDERS ARE EXPECTED TO BE GIVEN DETAILS OF THIS WITHIN THE NEXT FEW DAYS, PROBABLY EARLY NEXT WEEK. THEN THE VOTING BATTLE WILL RESUME WITH THE EUROPEAN CONSORTIUM GOING ALL OUT TO CANVASS SUPPORT TO DEFEAT THE DEAL AT THE NEXT SHAREHOLDERS MEETING.

THIS TIME THEIR TASK WILL BE MORE DIFFICULT AS SIR JOHN'S PLAN IS EXPECTED TO NEED ONLY A SIMPLY MAJORITY RATHER THAN THE 75PER CENT VOTE REQUIRED FOR THE ORIGINAL SIKORSKY PLAN WHICH WAS OVERTURNED BY A NEAR 35PER CENT VOTE IN FAVOUR OF THE EUROPEANS.

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