

WESTLAND GROUP plc

From
Sir John Cuckney

The Rt. Hon. George Younger, TD, MP,
Secretary of State for Defence,
Ministry of Defence,
Main Building,
Whitehall,
LONDON, SW1A 2HB.

4, CARLTON GARDENS,
PALL MALL,
LONDON, SW1Y 5AB.

TEL: 01-839 4061

8th November, 1988

Dear Secretary of State,

In my letter of the 28th October, I expressed my concern regarding any publicity surrounding the decision to enter in full Project Definition on the Utility EH101 for the Royal Air Force.

There have since been reports in the press which have included erroneous and damaging remarks about Westland and I must set the record straight. Regrettably, the views articulated in the press appear to be shared by some members of your staff who sought to have them included in the draft response to a Parliamentary Question which were subsequently deleted on Westland's insistence. I refer to allegations that, in the original proposal to include some Utility EH101 for the RAF in the package of helicopter purchases brought forward to assist with the Westland "work gap", Westland got the costs wrong. These allegations are wholly unfounded.

The offer made in 1986 by Westland Helicopters, and agreed by EHI, was accompanied by a complete description of the proposed vehicle and its performance carrying various loads, including thirty soldiers with full kit. These costs, with normal escalation, remain valid today. The potential increases in costs which have since arisen are solely related to requirements added to the basic vehicle as the RAF specification has been developed over the last eighteen months.

In view of the publicity and the attendant effect on our shareholders' interests and those of our collaborative partners, I am proposing to make my position clear to the City and the technical press.

John Cuckney

Copied to: The Rt. Hon. Lord Young of Graffham,
Secretary of State for Trade and Industry,
Mr. John Whittingdale,
Political Secretary, Prime Minister's Office.

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4 CARLTON GARDENS, PALL MALL, LONDON SW1Y 5AB

TELEPHONE 01 839 4061
FAX 01 930 0482
TELEX 25232

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With compliments