

I, **Martin Michael Steynberg**, an adult male currently residing in the Republic of South Africa declare under oath as follows :-

1. a] I have been approached by attorneys representing Beverley Securities Inc [BSI] regarding their pending claim against Aerospatiale / Eurocopter, the French ex state owned aviation company who supplied, manufactured and sold the 50 Super Puma S2 Helicopters in kitform to South Africa, delivered via Portugal.
 - b] At the beginning we dealt mainly with Aerospatiale, then in 1992 Aerospatiale's helicopter division became "Eurocopter", a company 100% subsidiary of Aerospatiale. Eurocopter has since grown to be the world's largest producer of helicopters. Today Aerospatiale is part of "EADS", [European Aeronautic Defence and Space Company, a merger of Aerospatiale Matra SA and Daimler-Chrysler with offices all over the world including Washington, Miami and Dallas.
2. I started employment in 1984 at Kentron [Pty] Ltd., a subsidiary of Armscor, as an accountant. In November 1986 I was transferred to the 4th floor of the South African Embassy in Paris / France located at No. 59 Quay D'Orsay.

This was the Head Office of Armscor in Europe and was officially known as the Technical Council at the Embassy.



All employees of the Technical Council, about 25 at any given time, were given consular status and therefore enjoyed Diplomatic Immunity.

3. Armscor operated from the South African Embassy in Paris with the knowledge of the French Government who accepted our diplomatic status and gave us work permits to fulfil our duties :-

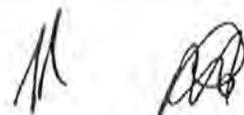
- Our work was classified as top secret and our cover was secure.
- Our projects were given code names as well as our agents. The 50 Super Puma Helicopters Project was called Project Adenia.

Our country was very fortunate as we enjoyed throughout the years the support of the two French Administrations, first President Francois Mitterrand's Government and later Jacques Chirac.

4. I was based in Paris until March 1990, after which I was relocated back to Armscor's Head Office in Pretoria, South Africa.

5. My duties in Paris were as follows :-

- a) I was the Foreign Procurement Administrator for all Armscor & Atlas contracts. [The aviation wing of Armscor].
- b) It was my duty to study all the financial aspects of the contracts and to ensure that all related payments were executed via the proper channels and by using the proper method of secret bank accounts.



- c) For security reasons payments were effected in various ways and done on a weekly basis from Kredietbank Luxembourg and Banque Continental du Luxembourg – routed through various other small banks in Luxembourg, Switzerland and elsewhere in the world.
- d) Our instructions were to execute payments according to the contracts related to specific projects, like Project Adenia.

Quite often, almost as often as the normal payments, we received orders from Head Office in South Africa to execute payments without referring to any specific projects. These mysterious payment instructions came quite regularly and were substantial.

- 6. In my statement I will refer to my own experiences and knowledge as well as to comment on classified documents and sworn affidavits of ex Armscor personnel. I wish to make this statement and to elaborate on what I know about Project Adenia during the time I worked undercover for Armscor at the South African Embassy in Paris.
- 7. Armscor paid Eurocopter / Aerospatiale directly via bank accounts in Luxembourg for the Helicopter package. I know this fact as I was the Head of the Department in Paris that supervised and controlled the execution of all payments. It was my job to make sure that the financial commitments of the contracts were properly executed. I also know because of documents that we had on file in our office, there was only one contract between Armscor and Aerospatiale. Armscor had three



commitments, one to pay Aerospatiale for the package, including transfer of technology and relocation of French families and Engineers to South Africa. Second, to pay OGMA [the service wing of the Portuguese Airforce] for the upgrading of the Portuguese Puma's to a S1 Super Puma version, a condition of the Portuguese Airforce for authorising the use of the channel for the deliveries. Portugal needed a helicopter capable of a range to patrol the Atlantic up to the Azores Airbase in order to fulfil their NATO commitments. And thirdly, BSI was to be paid under contract, a 10% commission for their services in obtaining the authorisation from the Portuguese military establishment for guaranteeing the deliveries to South Africa.

8. BSI obtained permission from the Portuguese Airforce [FAP] for Aerospatiale / Eurocopter to deliver the whole helicopter package to South Africa via Portugal. BSI's duty was also to supervise and guarantee the security of the channel throughout the duration of the contract.
9. The classified top secret code name for the transaction was called Project Adenia.
 - a) Project Adenia was the supply by Aerospatiale / Eurocopter to Armscor of 50 Super Puma S2 helicopters in kits, as well as a large quantity of spare parts and components, together with all tooling and technology transfer for the helicopters to be assembled in South Africa under supervision of French Aerospatiale and Eurocopter Engineers in co-operation with the SADF and Atlas Aircraft Corporation.



- b) These helicopters were designed and manufactured by Eurocopter / Aerospatiale in France to suit the requirements of the South African Defence Force in South West Africa.

- c) Armscor and Aerospatiale decided to call the helicopter a different name in order to hide the fact that it was a French Super Puma S2 Helicopter. It was called the "ORYX" as it is still known today.

Officially the ORYX helicopter was supposed to be designed and manufactured in South Africa.

- 10. Aerospatiale / Eurocopter acquired technology and components from the US company Rockwell Collins, situated at 400 Collins Road NE, Cedar Rapids IA 52498, USA, to be incorporated in the helicopters to Armscor in South Africa.

These were :

- 1. Radios
- 2. Avionics
- 3. Transponders

- 11. Deliveries for Project Adenia started in 1989 / 1990 and continued regularly throughout the years until the end of 1995 / 1996. The spare parts, components and the maintenance part of the contract is still running on a continuous basis. It means that Project Adenia is still in force today as the 50 Super Pumas remain in active service with the South African Defence Force.



Payments were made according to deliveries on a regular weekly basis. I was responsible for delegating the execution of these payments, which were in accordance to the contract and all authorised by our Head Office.

My instructions were relayed to Mr Danie Loubser who executed the payments.

12. The average movement of funds that went through our bank accounts in Luxembourg, was sometimes about US\$15 million per week. I am aware that this was more or less the average weekly turnover of our accounts from the mid 1980's up to 1995 / 1996. The accounts remained open and active until 1998.
- a) I estimate that from the 1980's up to 1996 our accounts in Luxembourg had a turnover of about US\$7 billion. A lot of money, if you consider that the South African Defence Force did not possess expensive and sophisticated equipment.
 - b) France was our strongest ally. Our Navy had old absolute Daphne Submarines. Our airforce used French Helicopters and aircraft, the best being the French Mirage which for economical and other reasons were equipped at some stage with Russian Sukkoy engines. The only other more sophisticated equipment was the 50 S2 Super Puma Helicopters.
 - c) Our nuclear programme was of French technology. At the Koeberg Nuclear Power Station in South Africa, the reactors were

supplied by Framatome in France. In 1979, it was decided that the main task of designing and building gun type nuclear devices, would be assigned to Armscor, eventually 6 fission gun-type nuclear devices were successfully completed. The total capital cost of the plant amounted to about US\$60 million and annual operating costs of about US\$14 million.

- One does not have to be a top military analyst to see that our defence force did not have the equipment that justify the amount of funds spent overseas.

13. My department was responsible for the final authorisation, supervision and execution of all the payments, which means we had to travel to the respective countries, mainly Luxembourg and Switzerland, to visit banks and personally give the payment instructions to the bank officials.
 - a) These payment instructions and documents were highly classified and always sealed in special envelopes until we reached the bank.
 - b) We were given diplomatic courier envelopes and courier letters which gave us immunity at border posts in the event of a custom search.

14. Instructions from Head Quarters in Pretoria to Armscor in Paris was sent by diplomatic bag every Sunday. We would spend Monday processing and updating project files and making all necessary arrangements and appointments with the respective bank officials for meetings on Wednesday in Luxembourg and other places.



15. Armscor's main banks in Luxembourg were the Kredittrust Luxembourg, Kredietbank Luxembourg, Banque Continental du Luxembourg and Banque Internationale.

In Switzerland it was Bank Cantrade, Union Bank of Switzerland [UBS] and various other private banks.

- a) In 1993, our Head Office in South Africa decided to initiate a secret operation code named Massada. This operation's mission was to destroy all files and records of the activities of foreign procurement in anticipation of unfavourable results in free elections in 1994.

16. I had the opportunity to see all the evidence and read the statements of my ex colleagues Messrs Tonie de Klerk, Nico Palm and Danie Loubser as well as the ones of Deon Gouws, Paul van Vuuren, Willem Mentz and Brig. General Frederick Furter. In my opinion, the letter of Mr JF Bigay, President of Eurocopter, to the South African Government was certainly not a democratic request and could present a direct threat to Mr Pinhol's life.

I have no doubt in my mind to confirm that their statements are absolutely true and correct.

17. Because of my duties and work in Paris, I had direct knowledge to confirm and elaborate further and in more detail than anyone else, the financial aspects of Project Adenia.

Two handwritten signatures in black ink, one on the left and one on the right, appearing to be initials or names.

- a) The project was sub-divided in various projects namely :- Kingsley, Zandumec, and a few others I do not recall , for each project a separate bank channel was established , separate bank accounts were opened and different payment structures planned.
- b) Because of the magnitude of the project, extra staff were transferred from Armscor and Atlas Aircraft Corporation in South Africa to Paris to accommodate the additional workload. On the other hand Aerospatiale and Eurocopter engineers were sent and re-located secretly to South Africa to assist the assembly and maintenance of the helicopters.
- c) The logistics, management and payment structures for this project were tremendous and on a continuous basis, as the maintenance programme had to be set up for as long as the helicopters remain on active service.
18. Armscor had well over 300 secret bank accounts in Luxembourg. All bank accounts were opened with the knowledge, assistance and counsel of the bank's top administration and employees, according to the planning of the channel, and it was structured in such a way that if something went wrong with one channel, other payment channels were not affected.
19. I remember that an account was opened in 1990 for Beverly Securities [BSI] at Kredietbank, Luxembourg, account number 210 370 on which myself and my colleague Danie Loubser were signatories. The purpose of



opening this account was for BSI to receive the 10% commission of Project Adenia. Our instructions were for this account to receive the funds and then to transfer them to an account to be indicated by BSI in another bank outside Luxembourg. Instead, the funds that were allocated for this purpose were systematically transferred to other accounts controlled by Aerospatiale.

20. For Project Adenia, payments to Aerospatiale were executed some directly, and others, through several secret channels, like Monsaguel at Banque Genevoise de Gestion in Geneva / Switzerland and Eltra at Banque Nationale de Paris in Hong Kong.

There were so many that it is impossible to recall all of them, but access to the bank's records will confirm my statement.

21. I recall that the total value of Project Adenia was in the region of US\$3 billion.

22. a) I also recall that in our Project Adenia's file there were clear instructions that BSI be paid a commission of 10% pro rata according to the deliveries of the equipment. During approximately 1989 these instructions changed. We were then told to hold onto these funds until further notice. Because of the fact that these funds were not paid over to BSI throughout the



years, several Armscor accounts in Luxembourg of US\$300 million, being the 10% provision that for their services.

b) Later, these funds were transferred gradually controlled by Aerospatiale by order of our Headquarters Africa, although the funds were not due to Aerospatiale. This is a fact as all the correspondence went to and records filed in Paris confirmed what I am sure the liaison office between Armscor and Aerospatiale were aware of all messages, correspondence received and sent between our two organisations.

c) I also remember that Armscor paid large excess. According to our records for Project Aden [US\$900 million] was paid and transferred through accounts in France and elsewhere in the World.

23. For reasons beyond my knowledge, throughout the year US Dollars were transferred from Luxembourg to secret accounts all over the world, to individuals and companies without specific project or contract. Funds were transferred regularly in Luxembourg, Switzerland, London, Hong Kong, Germany.

— All US Dollars transfers were executed through American Banks in New York City.

years, several Armscor accounts in Luxembourg built up a surplus of US\$300 million, being the 10% provision that was owed to BSI for their services.

- b) Later, these funds were transferred gradually to accounts controlled by Aerospatiale by order of our Head Office in South Africa, although the funds were not due to Aerospatiale. I know this to be a fact as all the correspondence went through our office, and records filed in Paris confirmed what I am saying. We were the liaison office between Armscor and Aerospatiale, therefore, we were aware of all messages, correspondence and instructions received and sent between our two organisations.
- c) I also remember that Armscor paid large excesses to Aerospatiale. According to our records for Project Adenia, a 30% excess [US\$900 million] was paid and transferred to Aerospatiale to accounts in France and elsewhere in the World.
23. For reasons beyond my knowledge, throughout the years Billions of US Dollars were transferred from Luxembourg to secret numbered accounts all over the world, to individuals and companies without reference to any specific project or contract. Funds were transferred regularly to accounts in Luxembourg, Switzerland, London, Hong Kong, Germany and the USA.
- All US Dollars transfers were executed and cleared through American Banks in New York City.



24. Most of the funding to our bank accounts in Luxembourg were transferred from Volkskas Bank, van der Walt Street in Pretoria. These funds were transferred via a secret international network of bank accounts in order to hide its origin.

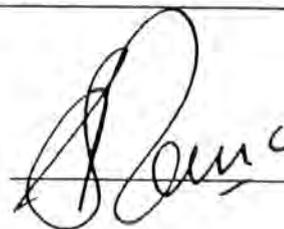
I am aware that this sworn statement may be used in a court case.



MARTIN MICHAEL STEYNBERG

I certify that the Deponent has acknowledged that he knows and understands the contents of the foregoing affidavit, and that he has no objection to taking the prescribed oath and that he considers the oath to be binding on his conscience, which affidavit was signed and sworn to before me at

GEORGE on this 20 day of APRIL 2001.
SOUTH AFRICA



NAME

STEPHANUS ABRAHAM ROUX

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