

EDINBURGH TRAM NETWORK

Monthly Project Report September 2008



Monthly Report Major Projects

Project: Edinburgh Tram Network
Reporting Period: September 2008

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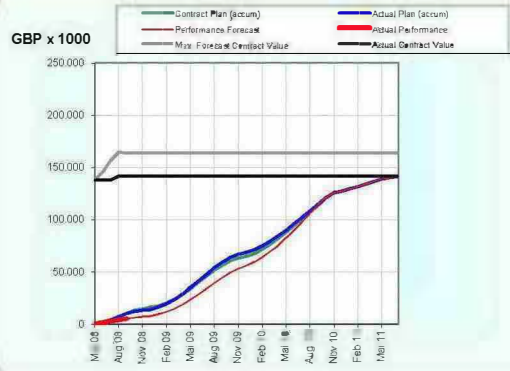
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VST, GF, BL, PM, CCS
 BL, PM, CCS

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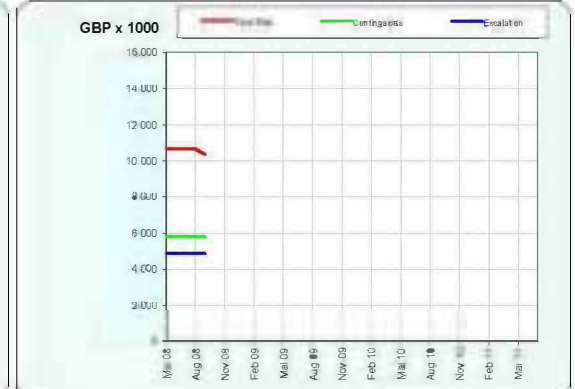
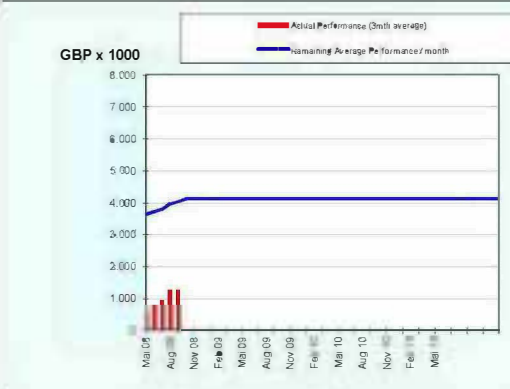
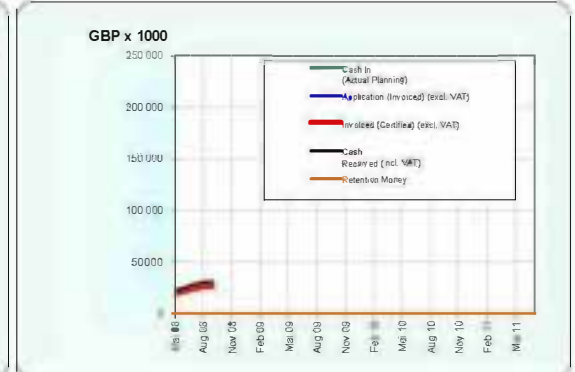
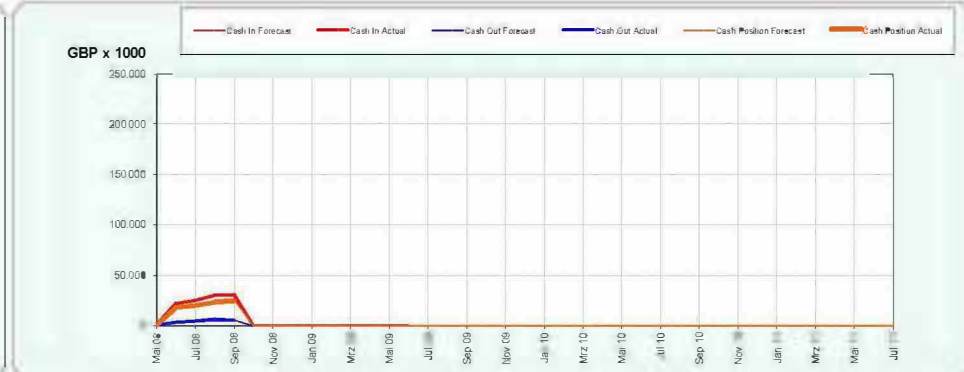
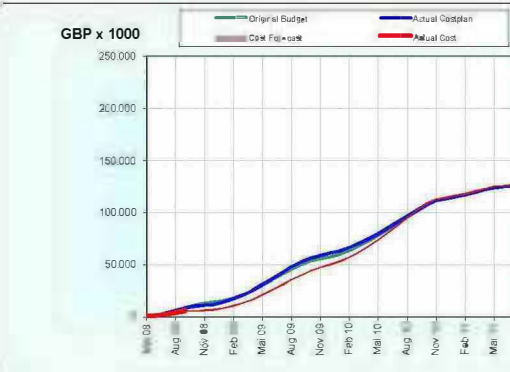
1.01 Project Overview Charts



	Contract Plan (Orig.)	Revised Plan (actual)	Forecast (actual)	Actual	Status Figures	
Construction start date	15. Mai 08			15. Mai 08		
Construction end date	16. Jul 11	16. Jul 11	16. Jul 11		0,0 month	green
Total contract value [GBPx1000]	141.509			141.509		
Claims / Variations agreed				0		
Claims / Variations not agreed				22.572		
Performance		10.497		5.395	51,4%	red
Project cost		9.335		6.268	130,6%	red
Result	11,07%	11,07%	10,14%	-16,18%	-0,94%	green
Payment Status		0		26.524	#DIV/0!	#DIV/0!
Av.Perf./mth: Rem. & act. 3mth			4.034	1.281		green



Project Key Figures



1.02 Short Note on Overview Charts

1.2.1 Performance

Actual performance achieved in the month and overall performance to date are approximately 40% of planned levels. Delays to design approval and access, and changes to workscope (all the responsibility of the Client) have reduced the amount of work available.

1.2.2 Project Cost

Presently we are in a cost overrun primarily due to the undernotes:
 - staff-numbers and unit cost
 - site set up - additional cost
 - tender costs
 All of the above require more cost analysis/cause analysis when BCS is in place.

1.2.3 Project Result (Forecast)

It is currently forecast - in consideration of major changes in workscope and programmes - that the tender margin will be achieved.

1.2.4 Payment Status

The receivables from the Client are in time and right now without interruption.
 paid from the client: 26,524,252.40 GBP

1.2.5 Cashflow

The Project cashflow per 30.09.08 remains cash positiv. For a more detailed monthly cash planning on the revenue side there is still to clarify the final BBUK and Siemens Split.
 Furthermore the Contract Payment Schedule No. 5 will be rectify in accordance to the update construction time schedule.
 The Advance Payment of 19.1 MGBP is still parked on the Intercompany account between BB plc and BBUK ltd. and make a positiv interest result.
 cash in net 26,524 TGBP ./ 4,993 TGBP paid per 30.09.08 ./ 16,000 TGBP (Intercompany) = 5,531 TGBP cash positiv.
 per 30.09.08

1.2.6 Contingencies

Only minor once due to quantity increase. We already informed in August

1.2.7 Construction Program

The Contract Programme, issued in April 2008, is now superseded by delays to design, procurement and construction arising from delayed design approval, incomplete utility diversions, changes to workscope - all the responsibility of the Client. The Client continues to resist settling early delays and awarding an appropriate extension of time.
 The current position is that works are 5 months behind the existing Contract Programme. Works are being managed on site in accordance with a 4 month interim programme, but continuing problems with access and design are affecting progress.

1.03 General Information

1.3.1 Short note on progress, events this month

- 01. Mobilisation** IT connectivity has now been established and the Project Office was occupied on 13th October.
- 02. Design** Issue of approved civil drawings continues, but some of the final drawings are significantly different from the "freeze" drawings on which the contract is based, requiring the changes to be agreed with the Client. The further design work required to obtain Client acceptance of the changes and costs associated with Siemens equipment has now commenced.
- 03. Procurement** Grahams are now reinstated as proposed package contractor for section 2A/5A, contract negotiations are ongoing. Negotiations to finalise subcontract agreements with Barr and Farrans are ongoing to secure conditions back-to-back with the main contract.
- 04. On-Street** Initial works have commenced in Leith Walk, following partial completion of utility diversions by the Client. Ongoing utility diversions will continue to impact on construction
- 05. Off-Street** Works are in progress at Haymarket Viaduct, but impacted by design changes. Preparatory works are in progress for embankment fill at Carricknowe. Foundation works are in progress at Edinburgh Park bridge but delayed by design change. Piling works have commenced at A8 underpass, having been delayed by undiverted utilities.

1.3.2 Significant extraordinary events

Date	Description	Remarks
	None	

1.3.3 Recent important agreements with the Employer or instructions having significant consequences

Date	Description	Remarks
	None	

1.3.4 Status on Major Unapproved Claims / Variations / Changes

To date, over 120 changes have been notified to the Client but nothing of any substance has been agreed. The process of producing a programme and cost estimate for each change, for Client approval, is very demanding and extra resources are being mobilised.

We have submitted a claim for extension of time in respect of the initial design delay at contract award date, and are preparing to substantiate the delay impact of late design approvals, late access, instructed changes to the works and commencement of initial works. The latter issue is a combination of specific Client delays and our own mobilisation, and requires detailed analysis to refute the Client's view that all delays are due to late mobilisation of resources by BB. The Client has proposed an off-site conference to negotiate a revised programme, incorporating all delays to date. Our view is that a compromise of this nature would not produce a fair evaluation of delay and cost we have suffered to date.

Project: **Edinburgh Tram Network**
 as per: **30.09.2008**



1.04 Performance Sheet

1. General Information		2. Construction Period		Contract	Anticipated	Variance							
Client:	tie LIMITED	Construction start date	15. Mai 08	15. Mai 08	0 days								
Leadership:	BILFINGER BERGER UK LIMITED	Construction end date	16. Jul 11	16. Jul 11	0 days								
	BILFINGER BERGER VWB GMBH	Total excl. Site Removal	38 month	38 month	0 %								
Currency:	GBP Rp. (all amounts without V.A.T.)	Expired construction time	5 month	5 month	12 %								
Rate of Exchange Top Sheet:	1 GBP = 1,25 EUR	Actual:	1,26	EUR	Performance to date	5.394.889 GBP 4 %							
2. Total Contract Value		Date of Contract	Total Previous Month	September 2008	Total Reporting Month								
Contract Value with Client	141.508.815 (incl. SDS NovaAgree)	100,00%	141.508.815	100,0%	141.508.815	100,0%							
Contract Value with 3rd Parties (without interest)			0	0,0%	0	0,0%							
Total Contract Value			141.508.815	100,0%	141.508.815	100,0%							
3. Claims and Variations		Total Previous Month	September 2008	Total Reporting Month									
Claims and Variations approved		0	0,0%	0	0,0%								
Claims and Variations submitted but not approved yet		23.408.152	16,5%	-836.376	22.571.776	16,0%							
Claims and Variations under preparation			0,0%			0,0%							
4. Performance		Total Previous Month	September 2008	Total Reporting Month									
Performance for Actual Contract Value with Client		4.348.256	3,07%	1.046.633	5.394.889	3,81%							
Performance for 3rd Parties (without interest)			0,00%		0	0,00%							
Total Performance to Date		4.348.256	3,07%	1.046.633	5.394.889	3,81%							
Remaining Performance to Date		137.160.559	96,93%		136.113.926	96,19%							
Actual Planned Performance		7.441.887	5,26%	3.055.472	10.497.359	7,42%							
5. Result		Date of Contract	Total Previous Month	September 2008	Total Reporting Month								
Planned Result for Contract with Client		15.670.714	11,07%	15.670.714	11,07%	15.670.714							
Actual Result at Reporting Date			0	0,00%	-872.796	-16,18%							
Forecast Result at the End of Contract			15.377.890	10,87%	-1.031.502	14.346.388							
6. Invoices, Payment and Bank account		Total Previous Month	September 2008	Total Reporting Month									
Application to the client - excl. VAT	incl. Ret. Money	0	0,00%	25.852.074	18,27%	868.647							
Certified by the client (Invoice) - excl. VAT	incl. Ret. Money	0	0,00%	25.784.259	18,22%	739.994							
Cash in from the client - incl. VAT	excl. Ret. Money	0	0,00%	30.296.504	21,41%	889.492							
Cash in from 3rd Parties - incl. VAT			0,00%		0	0,00%							
Interest income			90.000	2,07%		90.000							
Cash out			6.607.921	4,67%	-741.146	5.866.775							
Net Liquidity	creditle		23.688.580	16,74%	1.610.345	25.298.925							
7. Subcontractor Work (incl. Design)		Date of Contract	Total Previous Month	September 2008	Total Reporting Month								
Total Portion of Subcontractor Budget		60.353.024 (incl. SDS)	42,65%	60.353.024	42,65%	5.871.121							
Total Amount of signed Subcontracts incl. approved Variation Order			0	0,00%	0	0,00%							
Total Subcontractor Result to date			0	0,00%	0	0,00%							
Actual Subcontractor Costs to date (incl. Accruals)			0	#DIV/0!	0	#DIV/0!							
Therefrom invoiced to date				0,00%		0,00%							
8. Actual Forecast for Performance and Result in TSD GBP													
Performance		Original planned				Actual / Forecast				Yearly Forecast			
		2008	2009	2010	2011	2008	2009	2010	2011	Performance and Result in 2008			
Jan		1.706	2.786	2.346		1.729	3.348	2.346		Performance	8.000.000	5,7%	
Feb		2.526	4.026	2.026		2.301	4.518	2.026		Result	811.053	10,1%	
Mrz		3.526	5.026	2.526		3.036	5.553	2.526		Performance and Result in 2009			
Apr		4.526	5.276	2.526		3.831	5.978	2.526		Performance	48.216.203	34,1%	
Mai	855	5.776	6.026	2.526		500	4.854	6.874	2.525	Result	4.888.235	10,1%	
Jun	1.355	5.776	6.526	1.026		1.052	5.085	7.582	1.025	Performance and Result in 2010			
Jul	2.375	5.776	6.526	1.026		1.331	5.316	7.843	1.025	Performance	71.293.124	50,4%	
Aug	2.855	6.026	6.526			1.485	5.731	8.104		Result	7.227.809	10,1%	
Sep	3.055	4.626	6.526			1.047	4.916	8.365		Performance and Result in 2011			
Okt	2.855	4.026	6.526			1.000	4.637	6.944		Performance	13.999.487	9,9%	
Nov	1.535	2.526	5.026			937	3.607	4.750		Result	1.419.290	10,1%	
Dez	1.446	1.866	1.706			668	3.171	1.433		Performance and Result in			
Total		16.334	48.678	62.498	13.999	8.000	48.216	71.293	13.999	Performance	141.508.814	100,0%	
		Linear Calculation									Result	14.346.387	10,1%
Edinburgh,		Edinburgh,											
Place and Date,		Signature Commercial Manager		Place and Date		Signature Project Director							

Project: **Edinburgh Tram Network**
 as per: **30.09.2008**



1.05 Weighted Result with Chances and Risks

Revenue				Cost			
	best case	likely case	worst case		best case	likely case	worst case
	'GBP	'GBP	'GBP		'GBP	'GBP	'GBP
Actual Contract Value acc. to actual JSE w/o Contingencies	129.574	129.574	129.574	Actual Cost Forecast acc. to actual JSE w/o Contingencies	-116.801	-116.801	-116.801
Unapproved Change/Variation Orders				Unapproved Change/Variation Orders			
remaining Risks from Contract Estimate in current JSE	-11.811	-11.811	-11.811	remaining Risks from Contract Estimate in current JSE	-10.472	-10.472	-10.472
01. Add. Insurances acc. CL. 76.17	-11	-11	-11	01. Add. Insurances acc. CL. 76.17	-10	-10	-10
02. Liquidated Damages	-523	-523	-523	02. Liquidated Damages	-464	-464	-464
03. Interface with Railway Authorities	-28	-28	-28	03. Interface with Railway Authorities	-25	-25	-25
04. Uninsured Economic Losses	-149	-149	-149	04. Uninsured Economic Losses	-133	-133	-133
05. Delayed Start Of Construction Works	-406	-406	-406	05. Delayed Start Of Construction Works	-360	-360	-360
06. Firm items In Value Engineering	-315	-315	-315	06. Firm items In Value Engineering	-280	-280	-280
07. Quantity Risk	-1.128	-1.128	-1.128	07. Quantity Risk	-1.000	-1.000	-1.000
07a. compensate new measured QTY 1C & 1D HighwayTake-Offs (06/2008)	330	330	330	07a. compensate new measured QTY 1C & 1D HighwayTake-Offs (06/2008)	293	293	293
08. Corderoy's Quantities For Pavements in Sect. 5	-439	-439	-439	08. Corderoy's Quantities For Pavements in Sect. 5	-389	-389	-389
09. CEC Planning	-28	-28	-28	09. CEC Planning	-25	-25	-25
10. Road Safety Audit	-282	-282	-282	10. Road Safety Audit	-250	-250	-250
11. Network Rail	-85	-85	-85	11. Network Rail	-75	-75	-75
12. Edinburgh Park	-42	-42	-42	12. Edinburgh Park	-38	-38	-38
13. Forth Ports	-6	-6	-6	13. Forth Ports	-5	-5	-5
14. HMRI	-28	-28	-28	14. HMRI	-25	-25	-25
15. Rails Drainage, Connections to existing drainage	-79	-79	-79	15. Rails Drainage, Connections to existing drainage	-70	-70	-70
16. Tramstop	-81	-81	-81	16. Tramstop	-72	-72	-72
17. Bonding and Earthing Not Priced	-17	-17	-17	17. Bonding and Earthing Not Priced	-15	-15	-15
18. Obstructions / Boulders (Piling And Anchoring)	-34	-34	-34	18. Obstructions / Boulders (Piling And Anchoring)	-30	-30	-30
19. Settlement / Consolidation	-23	-23	-23	19. Settlement / Consolidation	-20	-20	-20
20. Soil Stabilization For Traffic on Embankments	-113	-113	-113	20. Soil Stabilization For Traffic on Embankments	-100	-100	-100
21. Reconstruction In Full Depth Of Pavement 1B	-223	-223	-223	21. Reconstruction In Full Depth Of Pavement 1B	-198	-198	-198
22. Labour	-45	-45	-45	22. Labour	-40	-40	-40
23. Staff	-45	-45	-45	23. Staff	-40	-40	-40
24. Performance Of Utility Companies	-6	-6	-6	24. Performance Of Utility Companies	-5	-5	-5
25. Ecology	-1	-1	-1	25. Ecology	-1	-1	-1
26. Pollution	-	-	-	26. Pollution	-2	-2	-2
27. Changes In Law	-34	-34	-34	27. Changes In Law	-30	-30	-30
28. Legal Support	-113	-113	-113	28. Legal Support	-100	-100	-100
29. Value Engineering	-226	-226	-226	29. Value Engineering	-200	-200	-200
30. Interpretation Of Code Of Constuction Practice	-113	-113	-113	30. Interpretation Of Code Of Constuction Practice	-100	-100	-100
31. Siemens/BB Scope Split	-56	-56	-56	31. Siemens/BB Scope Split	-500	-500	-500
32. Enhanced Labour Rate	-33	-33	-33	32. Enhanced Labour Rate	-29	-29	-29
33. Interface Systems & Civils	-1.128	-1.128	-1.128	33. Interface Systems & Civils	-1.000	-1.000	-1.000
34. Escalation	-5.494	-5.494	-5.494	34. Escalation	-4.871	-4.871	-4.871
remaining Chances from Contract Estimate in current JSE	124	124	124	remaining Chances from Contract Estimate in current JSE	110	110	110
01. Changes in Employers Requirements	113	113	113	01. Changes in Employers Requirements	100	100	100
02. Package Contractors Interface	11	11	11	02. Package Contractors Interface	10	10	10
Chance (n)				Chance (n)			
Forecast Final Revenue	141.509	141.509	141.509		-127.163	-127.163	-127.163


Forecast Final Result (best case) (=Forecast Revenue + Forecast Cost)	14.346	14.346	14.346
% Gross Margin	10.14%	10.14%	10.14%
Forecast Final Result (most likely case) (=Forecast Revenue + Forecast Cost)	14.346	14.346	14.346
% Gross Margin	10.14%	10.14%	10.14%
Forecast Final Result (worst case) (=Forecast Revenue + Forecast Cost)	14.346	14.346	14.346
% Gross Margin	10.14%	10.14%	10.14%
Gross Margin previous month (most likely case)			

Project: **Edinburgh Tram Network**

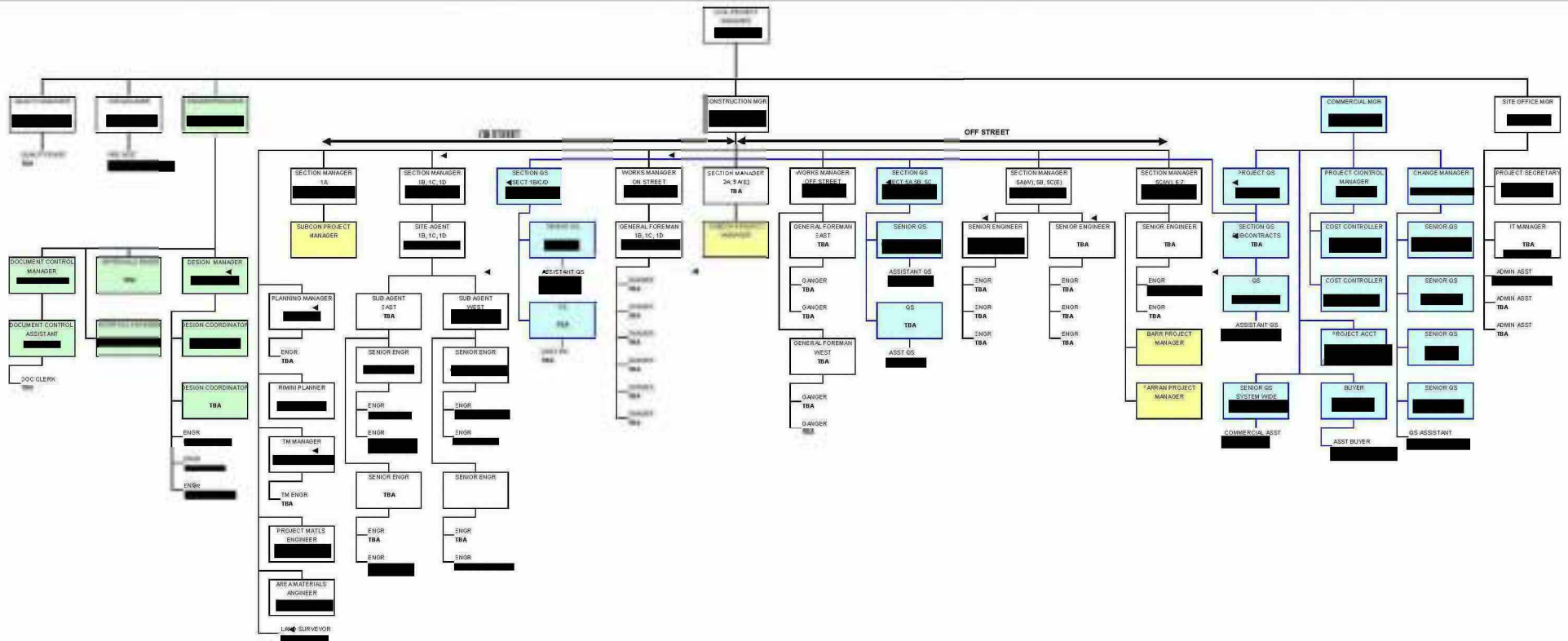
as per: **30.09.2008**



2.01 Cost Reconciliation Sheet

	Project: Edinburgh Tram Network as per: 30.09.2008	
2.02 Construction Programme		

2.05 Organisation Chart



EDINBURGH TRAM NETWORK
 CIVIL WORKS TEAM
 REV 10 2008