

Bilfinger Berger Civil UK Limited

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5 November 2010

City Chambers
High Street
Edinburgh
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Dear Councillors

**ADVANCE COPY
Edinburgh Tram Network Infraco**

We write to you following the comments made about Bilfinger Berger by David Mackay in the media as part of his sudden resignation and immediate departure as Chairman of tie, and assert that such behaviour does not serve progressing the Project. The frustrations felt by CEC and other stakeholders, most particularly the people of Edinburgh, are equally felt by Bilfinger Berger.

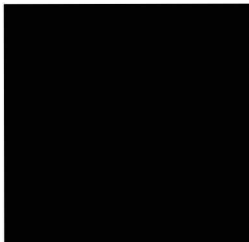
We are led to believe that you were not given advance notice of Mr Mackay's resignation and we presume that you will have been equally surprised by the nature of his subsequent discrediting comments on the Project made in the media. His comments do, unfortunately, reflect the attitude and approach that we have continually received from tie in our attempts to deliver the Project.

We urge you to demand full public disclosure of all information regarding the contracting and administration of the Project to understand the complete situation prior to determining how best to deliver Trams for Edinburgh.

We view the comments made by Mr Mackay, and the subsequent reputational damage they are causing to be incurred, sufficiently serious enough to instigate legal action against Mr Mackay. We urge you to publicly distance yourselves from these comments and to request Mr Mackay makes a public apology in respect of the behaviour of Bilfinger Berger.

We remain open and willing to discuss any aspect of the Project, directly with you, even at risk of tie claiming that such discussions may constitute breach of contract on our part. Please contact us immediately to arrange a meeting if so desired.

Yours faithfully,



Richard Walker BTech. Hons. C.Eng. MICE. FCIHT.
Managing Director