

Our ref: 25.1.201/RW/111

19 March 2008

tie limited  
CityPoint  
65 Haymarket Terrace  
Edinburgh  
EH12 5HD

**Bilfinger Berger –Siemens  
Consortium**

Lochside House  
3 Lochside Way  
Edinburgh Park  
Edinburgh  
EH12 9DT  
United Kingdom

Phone [REDACTED]

**For the attention of Willie Gallagher**

Dear Willie,

We refer to our recent negotiations and detail below the basis of the agreements reached and the necessary steps going forward to reach a point of contract execution:

Contract Terms -	Materially agreed with only items as per the attached schedule to be resolved.
Programme for Phase 1a -	Base programme against version 26 of the Design Deliverables programme has been agreed subject to: <ol style="list-style-type: none"><li>1. S24 &amp; S25 structures to be removed.</li><li>2. BT Ducts at A8 underpass still to be incorporated</li><li>3. Rescheduling of demolition of Caledonian Ale House</li><li>4. Rescheduling of Contract Award to Actual Date</li><li>5. Acknowledgment of No. of Track Gangs Issue</li></ol>
Contract Price -	Materially agreed price for Phase 1a is £236,037,664.00 and subject to the negotiation terms within Schedule 4.
Employers Requirements -	Materially agreed and per the drafting from meeting 3/4 March 08.
Infraco Proposals -	Agreed as per documents "Infraco Proposals for Systems" and "Infraco Proposals for Civil Works" – Attached

We agree to conclude the remaining matters to finalise the contract suite with all due endeavours to enable an award to be made. We need to work cooperatively and to this extent further negotiation on terms needs to be minimal.

We look forward to concluding this contract to the targeted timescale and moving firmly to the construction phase and the successful delivery of the tram network for the people of Edinburgh.

Yours faithfully,

[REDACTED]  
**Richard Walker**  
Managing Director  
Bilfinger Berger UK Limited

[REDACTED]  
**Michael Flynn**  
Director  
Siemens plc