

SIEMENS

Our ref: SM/SW

24th August 2006

tie Limited Verity House 19 Haymarket Yards Edinburgh EH12 5BH Bilfinger Berger -Siemens Consortium

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

Phone:

For the attention of Mr Geoff Gilbert

Edinburgh Tram Network: Confirmation of Revised Price Proposal

Dear Sirs,

We refer to our meeting in your office on 24 August 2007.

We confirm our revised price, as presented at the meeting, as follows;

Phase 1a

Phase 1b

Phase 1a+1b

£217.2M

£45.9M

£263.1M

We also confirm our proposal in respect of an award of an Advance Works Contract, October 2007 to February 2007, during which we will place orders up to £45M in value in order to secure the programme. In addition we will carry out up to £7.5M, in value, advance/mobilisation activities.

We refer to the Normalisation Tracker discussed at the meeting.

The undernoted items are included in our revised price and should be deleted from your Tracker.

- Item 8, E/O Carrier Drain, Phase1a.
- Item 13 Crewe Gardens Bridge, Phase1b.
- Item 17, Finished Surface Between Tracks, Phase1a.
- Item 18, Additional Sub-station, Phase1a.
- Item 24, Depot Ground Water Control, Phase1a.
- Item 66, Inflation, Phase1a and 1b.
- Item 68, Stray Current Monitoring, Phase1a and 1b.

We noted your comments on the following subjects and we confirm that we will address these and advise you of our proposals at our meeting on 30th August 2007.

- Trackform Solutions and Costs
- Phase 1a/1b Cost Split
- · Design Assumptions

Bilfinger Berger UK Limited. Registered Office: 150 Aidersgate Street London EC1A 4EJ. Registered in England & Wales Company No. 2418086. Siemens UK plc. Registered Office: Siemens House Oldbury Bracknell Berkshire RG12 8FZ. Registered in England & Wales Company No. 727817.

SIEMENS



- Liability Cap
- Protestor Action
- Funding Guarantee
- · A further revision of our Maintenance Price and Proposal

We confirm that the Clarifications enclosed with our submission dated 7th August 2007 remain effective unless specifically amended above.

We trust that this revised offer is of great interest to you and we look forward to negotiations and discussions in due course.

yours Faithfully for and on behalf of Bilfinger Berger – Siemens Consortium

Scott McFadzon Stephe

Scott McFadzen Bilfinger Berger Stephen Wright Siemens