From:Julie ThompsonSent:08 January 2008 10:13To:Kenneth.Hogg@scotland.gsi.gov.uk; Brian Cox; Strachan Peter; Perkins, Carol; Phil
Wheeler ; Allan Jackson; Ricky Henderson; Gordon MackenzieSubject:Happy New Year - update

Sent on behalf of Willie Gallagher

May I wish you all a very Happy New Year.

I would like to quickly update you on 4 points of progress:

Ongoing negotiations with Bilfinger Berger Siemens - I am pleased to report that good progress is being made. In essence, the update that we gave to the Board at the last meeting is still valid and we are now working extremely hard and diligently to secure Financial Close by 28th January. I will keep you posted on a weekly basis.

We are meeting today with the retailers in the city centre and the press to inform them of the commencement of the city centre MUDFA works. This will enable the partial close of Princes Street and the complete closure of Shandwick Place for a period of approximately 5 months. There will be extra traffic management measures being put in place and comprehensive communications packs detailing what it means to buses, cyclists, pedestrians and motorists are being prepared and will be issued in advance of the main works which will commence mid to late February. There will possibly be a fair amount of media commentary but this is to be expected.

I have agreed with Matthew Crosse and Steven Bell that Steven assumes all staffing responsibility for the tram project commencing Monday 14th January. A full brief will be issued on Thursday of this week. This will enable Matthew and Geoff Gilbert to concentrate fully on closing the deal and also facilitating knowledge transfer between the procurement and delivery organisation. I am delighted to report that Dennis Murray who was previously Commercial Director at Barr Construction started work on Monday 7th January. There are more personnel announcements to strengthen the team pending.

Finally, following discussion with David Mackay and Neil Renilson, we all feel that it makes sense to merge the Tram Project Board and the tie Board for the purpose of reporting on the tram project. This enables us to provide a more current view of progress to both Boards and to have the benefit of the various experiences of the tie Non-Execs. The remainder of the tie Board will follow after the Tram Project Board. Graeme Bissett will be in touch with an update of dates.

Regards

Willie

Willie Gallagher

Chairman

tie limited

Citypoint

65 Haymarket Terrace

Edinburgh EH12 5HD

Tel: +44 (0)131

Fax: +44 (0)131 622 8301

Email: willie.gallagher@tie.ltd.uk