From: Sent: To: Subject: Willie Gallagher 02 April 2008 21:03 Fitchie, Andrew RE: Edinburgh Tram Project

Thanks - we may need you to join us in Germany.

Willie

PS – I have the remuneration proposal well in hand.

From: Fitchie, Andrew [mailto:Andrew.Fitchie@dlapiper.com]
Sent: 02 April 2008 17:15
To: Julie Thompson; Willie Gallagher
Subject: Re: Edinburgh Tram Project

Let me know if you need support.

I think we need to find out how important CAF joining really is to them ie Siemens. I suspect that Siemens. Germany corporate put an internal provision into the project when Siemens Transportation was unable to refuse the novation.

Thus, if Michael Flynn is able to capture CAF he will show more bottom line and he believes that if the contract signature is made conditional on CAF joining, he will have additional leverage over CAF because tie will exert pressure on CAF to push them into the consortium because tie's urgency to close.

A. Andrew Fitchie Partner DLA Piper Scotland LLP T: +44 M: +44 F: +44

----- Original Message -----

From: Julie Thompson <Julie.Thompson@tie.ltd.uk>

To: stefan.hofsaess@siemens.com <stefan.hofsaess@siemens.com>; Joachim Enenkel (joachim.enenkel@bilfinger.de) <joachim.enenkel@bilfinger.de>; Richard Walker <Richard.Walker@bilfinger.co.uk>; flynn.michael@siemens.com <flynn.michael@siemens.com>; herbert.fettig@siemens.com <herbert.fettig@siemens.com>; roland.brueckmann@siemens.com <roland.brueckmann@siemens.com>

Cc: Steven Bell <Steven.Bell@tie.ltd.uk>; Jim McEwan <Jim.McEwan@tie.ltd.uk>; Fitchie, Andrew; Julie Thompson <Julie.Thompson@tie.ltd.uk>

Sent: Wed Apr 02 12:22:21 2008 Subject: Edinburgh Tram Project

Sent on behalf of Willie Gallagher

Stefan/Joachim/Herbert

I have tried calling you this morning.

I am extremely concerned that our negotiations are stalling. The lack of empowered Directors to agree final positions is costing us all money and time. I understand that Richard Walker is the lead Bilfinger Berger Director – who has the equivalent authority within Siemens?

Yesterday we had an agreed set of meetings to close out key contract items – no Siemens Director was present. This morning, the Siemens legal representative was "too busy" to discuss by telephone a change in a contractual position.

I need clarity now!

Associated with the above, I am extremely concerned about how this is going to work with the BBS consortium. Who will be the key players – who will be the key players – how will project decisions and issues be managed. I would like to meet with you next week to understand the detail of what you intend to propose.

Can you please accommodate this urgent request, I will ask my secretary to co-ordinate diaries.

Regards

Willie Gallagher

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