SIEMENS

Our ref: ETN(SPM)CEC=T&ABC#054591A

11 May 2011

Chief Executive
City of Edinburgh Council
Waverley Court
4 East Market Street
Edinburgh
EH8 8BG

Dear Madam,

Edinburgh Trams Project

We, Siemens plc, a company incorporated in England and Wales under number 00727817 and having its registered office at Faraday House, Sir William Siemens Square, Frimley, Camberley, Surrey GU16 8QD ("Siemens"), refer to the recent mediation in relation to the above and the resultant heads of terms.

We, Siemens, hereby offer to enter into the form of the agreed minute of variation annexed, within two days of the date of written acceptance by you of this letter.

This letter shall remain open for acceptance until 4pm on 20 May 2011 and shall be governed by Scots law.

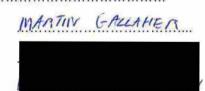
Yours faithfully

For and on behalf of Siemens pc

Before and in the presence of as witness

Name of witness

Address of witness





Siemens Mobility

Sopers Lane Poole BH17 7ER

Siemens Plc

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9 Lochside Avenue Edinburgh Park Edinburgh

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A division of Siemens plc, Registered No. 727817, England.

Registered office: Faraday House, Sir William Siemens Square, Frimley, Camberley, GU16 8QD, England.