From: Hudson Steve Sent: 15 May 2009 18:17

To: Lowe Taryne D; Philip Kolon; 'David Arnott'; Sylvester Sharmila Cc: Jones Peter @CS; Holmes David; Wilkins Andrew; Beattie Steve

Subject: FW: Update from meeting 8th May

Importance: High

Dear All,

FYI - latest update from MUDFA.

Only additional point is - I have no intention whatsoever of providing the Bond requested by tie.

Any queries pls contact me.

Regards

Steve Hudson Commercial Director Carillion Utility Services

Office telephone: 0161 855 6000

Facsimile: Mobile:

Please note new e-mail address: steve.hudson@carillionplc.com

U SAVE PAPER - Please do not print this e-mail unless absolutely necessary

CONFIDENTIALITY NOTICE: This e-mail message and accompanying data are for the sole use of the intended recipient(s) and may contain information that is confidential. If you are not the intended recipient, you are notified that any use, dissemination, distribution or copying of this message or data is prohibited. If you have received this mail in error please notify us immediately and erase all copies of this message and its attachments. Thank you.

From: Hudson Steve

Sent: Friday, May 15, 2009 6:14 PM
To: 'Steven Bell'; Dennis Murray

Cc: Beattie Steve

Subject: Update from meeting 8th May

Importance: High

Gents,

Further to our meeting last week we agreed to update progress today, in advance of next weeks meeting on the 20th.

I list below the actions we agreed and progress to date;

- 1) tie to award an EOT to reflect updated programme, showing completion in August and the extension of the Longstop Date beyond that to maintain 'float period'.
- Advise received today that award will be made on Monday. We await receipt.
- 2) On receipt of above CUS to firm up construction programme to reflect award and confirm work site/section exclusions and any significant dependencies.

3) Detailed explanation of March certificate to be provided by tie to explain both principle and quantum adjustments to cumulative application.

Report outstanding.

- 4) Upon receipt of item 3), CUS to prepare analysis of movements between Sept and March certificates identifying any subsequent adjustments of the sept certified values.

 Action has progressed but cannot be concluded until item 3) actioned.
- 5) Based on criteria derived from above CUS and tie to update respective projected AFA's. CUS on programme to complete by Tuesday.

I think the above covers the actions we agreed and I would ask that you confirm when item 3) will be actioned and if we are to exchange data before we meet?

As we discussed last week, now that you have concluded that the 'cost model' is not the way forward, we must urgently agree what is. In reality there are only two options left; Contract adherence or agreement of lump sum.

Having already expended many abortive weeks on the 'cost model', we must conclude this decision next Wednesday as it will influence how the remainder of the project is delivered. Furthermore, the choice made will have significant implications for both cost and time certainty, so its in both our interests to conclude this matter.

Steven - i suggest that we speak on Monday to update and agree how we intend to achieve closure on Wednesday - assuming that this is your intention also?

Have a good weekend both.

Regards

Steve Hudson Commercial Director Carillion Utility Services

Office telephone: 0161 855 6000 Facsimile: Mobile:

Please note new e-mail address: steve.hudson@carillionplc.com

U SAVE PAPER - Please do not print this e-mail unless absolutely necessary

CONFIDENTIALITY NOTICE: This e-mail message and accompanying data are for the sole use of the intended recipient(s) and may contain information that is confidential. If you are not the intended recipient, you are notified that any use, dissemination, distribution or copying of this message or data is prohibited. If you have received this mail in error please notify us immediately and erase all copies of this message and its attachments. Thank you.