



Mr Joachim Enenkel
Chairman of the Executive Management
Bilfinger Berger AG
Gustav-Nachtigal-Strasse 3
65189 Wiesbaden
Germany

Our Ref: INF CORR 6000

Date: 9 September 2010

Strictly Private and Confidential

Dear Mr Enenkel,

Edinburgh Tram Network – Without Prejudice

Thank you for your prompt response to my letter of 7th September.

We are pleased to have your confirmation that the ongoing relationship between Bilfinger Berger and Siemens is excellent. I have to comment that it is not our understanding and not what is being demonstrated at working levels.

We find it impossible to reconcile the alleged and equally incredible gap of £150M you suggest lies between the two proposals. Certainly no such number can be supported from the detailed discussions which have taken place between our respective advisors.

Your continuing ad nauseam fixation about “funding” on a fair value basis is both unjustified and unacceptable. I have to wonder if this reflects a smokescreen to try to disguise your abject failure to discharge almost every facet of your contractual obligations from design to basic performance.

We have already informed you, and previously David Darcy that Infracore's opportunity to submit another proposal has gone. We are however ready, willing and able to discuss the only remaining alternative which is Project Carlisle and our current proposal.

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We will contact David Darcy accordingly and my Chief Executive, Richard Jeffrey will do so later today.

Yours sincerely



David J Mackay
Chairman tie Ltd

cc: Mr David Darcy – Bilfinger Berger
Mr Andreas Goss – Siemens
Mr Gordon Wakeford - Siemens
Mr Antonio Campos - CAF