
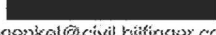


Mr. David Mackay
tie Limited
Citypoint Offices
65 Haymarket Terrace
Edinburgh, EH12 5HD

Edinburgh Tram Project
Your letter of 23rd August 2010

Bilfinger Berger
Ingenieurbau GmbH
Chairman of the
Executive Board
Joachim Enenkel
P.O. Box 1509
65005 Wiesbaden
Germany
Gustav-Nachtigal-Strasse 3
65189 Wiesbaden
Germany
Phone: 
Fax: 
joachim.enenkel@civil.bilfinger.com

GF/JE-gj
25 August 2010
20100825.JEgjB0216

Dear Mr. Mackay,

I write in response to your letter dated 23rd August 2010.

We have now received your counter proposal for "Project Carlisle". We are going through it with your "Project Carlisle" Team to make sure there is clear, mutual understanding. In the meantime, I cannot comment.

The matter of Preliminaries will be put, by ourselves, for Dispute Resolution.

Your offer to provide a copy of the On-street schedule you refer to is appreciated. I will arrange that our Site Team obtains this from yourselves.

I am aware of the other issues you mention and they are being addressed appropriately by the Site Team.

Mr. Mackay, in light of the obviously increasing project cost we have raised our concern on adequate funds for tie to be able to meet all its final contractual payment obligations; not doubting tie's own intention to meet its payment obligations.

In closing, I suggest we now must see the development of Project Carlisle before further exchanges.

Yours sincerely,

Bilfinger Berger Ingenieurbau GmbH


Joachim Enenkel

Corporate Headquarters and
Registered Office: Wiesbaden
District Court Wiesbaden
Register of Companies: HRB 23348
www.civil.bilfinger.com

Executive Board:
Joachim Enenkel, Chairman
David Darcy
Matth Jäkel
Dr. Jochen Keysberg