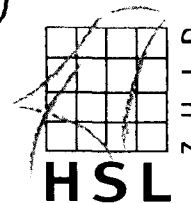


Venw/DG/NO-2009/4985

Subject:  
Registration Document HSL-Zuid



Trevor Smallwood, Esq.  
Executive Chairman  
First Group plc  
32a Weymouth Street  
London  
W1N 3FA  
United Kingdom

Dear Mr Smallwood,

Please find enclosed the Registration Document for High Speed Line-Zuid (HSL) train operations in the Netherlands.

The Registration Document summarises the current proposals for train operations on the HSL and invites you to comment on the opportunities being created and to register an interest in the contracts on offer. We are particularly interested in your views in the light of First Group's broad transport experience gained in the deregulated markets of the UK.

In June 1998 a Consultation Document was distributed to a broad business audience requesting the views of respondents on the proposed opportunities for partnership between the public and private sectors in the creation of a high-speed rail business in the Netherlands.

Following that consultation the Dutch Government decided to issue separate tenders for provision of the HSL infrastructure and for provision of train operations. The pre-qualification procedure to design, construct, maintain and finance the systems infrastructure started in February 1999, and the selected consortia are now responding to the tender documentation.

The publication of this document marks the start of the tender procedure for train operations. Separate contracts for domestic and international operations will be tendered and the Cabinet has clearly expressed its intent to attract competitive offers from potential operators for these contracts. International train services will be put out to public tender and the final tender procedure for domestic high speed services will be decided by the Cabinet in November 1999 following further investigation. The Registration Document explains this process in detail.

We would welcome the opportunity for the Train Operations Project Leader, Jeroen Kok, to arrange a meeting with you in the next two months to discuss the best way to involve operators such as First Group in the project.

I hope you will be able to give this document careful consideration and will be able to respond.

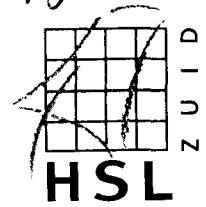
Yours sincerely,

Date  
9<sup>th</sup> June 1999  
Our reference  
HSL/U199901786  
Contact person  
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D & M 2009/4985

Wim Korf  
Project Director



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