

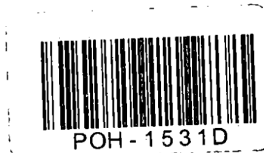
Rush Yvonne

From: Bennett John (TO fel0152)
Sent: 27 September 1999 13:09
To: Adrian King; GRO UMG ICL; Alan Gibson; GRO UMG ICL; Boswell Andrew; Palk David; Teague David; Colquhoun Fiona; Davison John; Todd Keith; Marie-Anne Van Ingen MA tec0103 ICL; Hartnell Nigel; Christou Richard; Hacking Robin; Scott Rod; Escudier Tim; Yurino Toshio
Subject: ACCEPTANCE OF THE ICL PATHWAY CONTRACT



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Please see attached.



**** DOCUMENT TYPE INFORMATION ****

Mail has the following body parts:

Body 1 : # 118# 99sep472.doc 27.09.1999 12:39 20992

ICL Pathway Memorandum

To: The EMC
Cc: Anna Campopiano
From: John Bennett
Date: 27 September 1999
Re: The Completion of Acceptance of the ICL Pathway Contract

I am delighted to confirm the completion of Acceptance: the second stage has been successfully finalised by the signing of the second Supplemental Agreement on 24 September 1999.

We can now move from any period of uncertainty and recognise that we have a system where the development and implementation is fully endorsed by our customer.

The completion of Acceptance means that:

- National roll-out formally starts immediately. Building on the nearly 600 post offices already installed we will have installed another 1000 or so before we cease work in support of the Post Office's Christmas work load in early November 99
- We recommence roll-out in late January 2000 and will quickly reach the rate of 300 post offices per week. Implementation is planned to complete in Spring 2001.
- We have achieved our milestone payment in Q2 for £68m – one of the largest single payments ICL has ever received from a customer
- We are on track for the second milestone payment in Q3 of £80m (based on the implementation of 1600 post offices by November 1999). At the request of our customer there will be a prolonged Christmas break. The Post Office has made this request as they want to be fully reassured that our rectification plans (especially those involving the software delivery) are fully stable before their Christmas busy period and settled before the full beat rate commences in 2000.
- Both milestone payments make a substantial contribution to ICL in terms of revenue, cash and profit

Acceptance has been a tough process – but the good news is that it is behind us and no-longer a barrier to further developing positive, working relationships with the Post Office.

Regards

John Bennett

P/ICLPcomms/internalcomms/acceptance/emc