

5 December, 2005

Dear Customer,

We are very pleased to announce the implementation of the HERMES system in conjunction with Imports CMR has been a tremendous success. The cut-over from our outdated ABS system to HERMES was seemingly transparent to all customers, which was our primary concern and focus throughout the entire development and implementation process of this very important project.

Menzies Aviation, in conjunction with each customer airline, is now currently working through the next phase of the project whereby we will be developing custom built, system generated reports for our airline customers to provide accurate and meaningful business data (activity and operational) as and when required. This means the benefits of the ongoing technology development using the platform of this advanced Cargo Management System (HERMES) can be shared in a useful and constructive manner for all.

Hermes also provides many opportunities to structure business practices in a streamlined manner for the benefit of all parties involved in the movement of cargo through our terminals. For information on how Menzies Aviation, via Hermes, can assist your organisation, please contact Peter Logan, Project Manager HERMES (and Melbourne Cargo Terminal Manager) for further assistance. Peter can be contacted on (03) 9334 5089 during normal business hours.

It has been widely recognised, by both Customs and industry alike, that Menzies experienced minimal disruptions to their operation during the difficult initial days following the October 12 "go live" date. This is primarily due to the intense development and testing process undertaken by Menzies Aviation in the months preceding the cut over. The critical system and business needs were recognised, from both an operational and software development viewpoint, in order to develop an operating system which clearly met changed Customs and legislative requirements. This process demanded substantial financial, infrastructure and staff resource investment in order to develop what we believe to be one of the best Cargo Management System currently available in the market. In addition we are currently structuring a global support network which will enable us to provide continuity and integrity of service through most operational disruptions that one might normally experience throughout the year.

As a result of the aforementioned, we have injected significant capital investment into the business (for the benefit of all customers), which includes not only the initial project development costs, but the need to have quality and ongoing system maintenance and user support to ensure our system and users operate at optimum efficiency at all times.

These extraordinary costs cannot be absorbed within our business and as a result, it has been necessary for us to review our current ITF rate structure. We therefore advise, with effect from January 1, 2006, the following change to rates will occur.

ITF (Inbound loose handling fee) will be increased from AUD\$0.25c/kg to AUD\$ 0.275c/kg (excludes GST). The minimum fee for these consignments remains fixed at \$33.00. All other charges remain unchanged.

We trust that you understand our position in this matter and we look forward to your continued support throughout 2006.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Alistair Reid". The signature is written in a cursive, slightly slanted style.

Alistair Reid  
Director, Australia



**Sydney**

Building 276, Sixth Street Mascot NSW 2020  
Tel: +61 2 8337 9500  
Fax: +61 2 9667 1040

**Melbourne**

1 Apac Drive, Tullamarine 3043  
Tel: +61 3 9334 5087  
Fax: + 61 3 9334 5040

**SCHEDULE OF CHARGES - EFFECTIVE 01 JANUARY 2006**

**All Prices in AUD (Australian Dollars)**

IMPORT TERMINAL CHARGES		Inc. GST*
1	<b>Import Document Fee - (IDF)</b> Process of import documents - per Air Waybill	\$36.00
2	<b>Import Terminal Handling Fees - (ITF)</b> Loose consignments - per kg Minimum charge per consignment (calculated on gross weight)	\$0.3025 \$33.00
3	<b>Warehouse Storage Fees</b> <b>Loose Cargo</b> Up to 24 hours from 23:59 hours on the date of cargo check-in Storage beyond the free period - per day / per kg (calculated on chargeable weight) Minimum charge per consignment per day	FREE \$0.22 \$33.00
	<b>Unitised Cargo</b> (per day) Types 2, 5, 6A Type 8	\$330.00 \$143.00
4	<b>Special Storage</b> (including coolroom, valuable cargo etc.) Up to 12 hours from 23:59 hours on the date of cargo check-in Storage beyond the free period - per day / per kg (calculated on chargeable weight) Minimum charge per consignment per day	FREE \$0.22 \$33.00
	<b>Unitised Cargo</b> (per day) Types 2, 5, 6A Type 8	\$330.00 \$143.00
5	<b>Import Valuable Cargo Fee</b>	\$82.50
6	<b>Import charges collect currency adjustment fee</b> Currency adjustment fee chargeable on total charges collect value	2%

EXPORT TERMINAL CHARGES		Inc GST*
1	<b>Export Document Fee - (EDF)</b> Process of export documents - per Air Waybill	\$33.00
2	<b>Warehouse Storage Fees</b> For export cargo lodged at point of origin within 48 hours prior to uplift Loose cargo Unitised cargo - Type 2, 5, 6A (24 hours prior to uplift) Unitised cargo - Type 8 (24 hours prior to uplift) Perishable / valuable cargo - (12 hours prior to uplift)	FREE* FREE* FREE* FREE* FREE*
(*Prior to these times, please contact Operations Supervisors for space availability)		
3	<b>Export Valuable Cargo Fee</b>	\$75.00
4	<b>Export Security Fee</b> This fee is only applied when a consignment fails to comply with Aviation Security requirements and the consignment requires search and/or x-ray prior to uplift	\$60.00
6	<b>Dangerous Goods Inspection Fee</b> For the inspection of cargo and documents against IATA dangerous goods regulations	\$42.00
	<b>Rejection Fee</b> If consignment fails to fully meet the criteria of IATA dangerous goods regulations	\$18.00

MISCELLANEOUS CHARGES		Inc GST*
1	<b>Invoice re-print</b> Re-printing of each invoice previously issued	\$11.00
2	<b>Invoice fax</b> Faxing of each previously issued invoice to domestic fax number	\$27.50

All Import Terminal Charges include 10% Australian Goods and Service Tax (GST)  
A surcharge of 4% is applicable on all accounts settled by credit card

