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29 October 2008

Dear Customer

## FUEL ADJUSTMENT FACTOR (FAF) – UPDATE

Ports of Auckland wishes to advise all customers that effective 12 November 08 there will be a reduction in the rate of FAF (Fuel Adjustment Factor) charged.

Ports of Auckland provided notice to all customers on 31 August 06 and again on 1 September 06 that we would be implementing a FAF (Fuel Adjustment Factor), in an endeavour to relieve the significant pressure fuel price increases were having on our business. We are always reluctant to pass on costs if they can be avoided; however circumstances in late 2006 and to date made it necessary that we do so.

Our original calculation to implement the Fuel Adjustment Factor was based on pricing as of 1 September 06, working in bands of +/- 20%. If the six week average triggered a move up or down then the following formula (table below) applies with two week's notice of change. As of today's date the six week average has reduced to 15% and we wish to provide notice of a reduction in the FAF to the second band of -20% to +20%. We are currently in the +21% to +40% band.

This reduction will take place as of Wednesday 12 November 08.

### Axis Intermodal Terminal handling rates:

<b>Based on POAL purchase price in NZ\$ as of 1 September 2006.</b>	<b>Charge per container handling— Full containers (Imports, Exports and Tranships).</b>	
<b>Band</b>	<b>Full containers</b>	<b>Tranship per leg</b>
Below - 20%	No charge	No charge
-20% to +20%	\$ 5.00	\$ 2.50 / \$ 2.50
+21% to +40%	\$ 7.50	\$ 3.75 / \$ 3.75
+41% to +60%	\$ 10.00	\$ 5.00 / \$ 5.00
+61% to +80%	\$ 12.50	\$ 6.25 / \$ 6.25

### Marine Services rates:

<b>Based on POAL purchase price in NZ\$ as of 1 September 2006.</b>	<b>Charge per ship call</b>	
<b>Band</b>	<b>Under 10000GRT</b>	<b>Over 10000GRT</b>
Below - 20%	\$ 0.00	\$ 0.00
-20% to +20%	\$ 75.00	\$ 150.00
+21% to +40%	\$ 115.00	\$ 225.00
+41% to +60%	\$ 170.00	\$ 300.00
+61% to +80%	\$ 230.00	\$ 380.00

Ports of Auckland would like to take this opportunity to thank you for your custom, your understanding in this matter and your co-operation in its implementation.

Please do not hesitate to contact either of the following if required.

Yours sincerely



**Craig Sain**  
General Manager  
Sales Marketing & Logistics



**Wayne Mills**  
General Manager  
Port Services