



A Beacon for Your Business

Dear customers,

As of 24th January 2005, we are implementing an index-based surcharge for all Priority Pack shipments. We have produced this document to explain why and how this will affect you.

Your Questions Answered

- Q. Why is Quantum Solutions applying an index-based fuel surcharge?
A. Due to continuing fluctuations in fuel prices we are implementing an index-based surcharge to ensure that we only pass on the charges that are in line with the movements of international fuel prices. Our aim is to keep the surcharge fair and transparent. Put simply, fuel surcharges will rise, fall or be removed in line with movements in fuel prices and will reflect the fuel surcharge that our major express supplier charges us.
- Q. Why is Quantum Solutions using an index based on the Rotterdam ARA jet fuel spot price?
A. Our major express supplier has chosen to base the index-based surcharge it charges us on the Rotterdam ARA jet fuel spot price for jet kerosene. Our use of such an index-based surcharge will accurately reflect the fuel surcharge that our major express supplier charges us. An index based on the spot price for jet kerosene is a fair method as it closely links the fuel surcharge to the prevailing market price for jet fuel.
- Q. How does the index work?
A. The index table shown below, consists of average jet kerosene spot price bands. These bands correspond to an applicable fuel surcharge, which will be charged depending on the applicable average jet kerosene spot price. Please be aware that there is a one month lag in the application of the index. For example, the monthly average spot price for jet kerosene in November 2004 will be used to determine the applicable surcharge in January 2005. This lag is due to the release dates of the fuel price data by the US Department of Energy.
- Q. Where can I find market information in relation to fuel cost development?
A. Fuel costs, including the spot price for jet kerosene are published by the US Department of Energy – www.eia.doe.gov Prices are published in US\$ per gallon. We will publish the surcharge and the monthly adjustments on our website at least 1 week prior to the surcharge or adjustment taking effect.

Index Table

Jet Kerosene Spot Price US\$/gallon Rotterdam ARA		Fuel Surcharge
At least	But less than	
\$	\$	
	0.60	0.0
0.60	0.64	0.5
0.64	0.68	1.0
0.68	0.72	1.5
0.72	0.76	2.0
0.76	0.80	2.5
0.80	0.84	3.0
0.84	0.88	3.5
0.88	0.92	4.0
0.92	0.97	4.5
0.97	1.02	5.0
1.02	1.07	5.5
1.07	1.12	6.0
1.12	1.17	6.5
1.17	1.23	7.0
1.23	1.29	7.5
1.29	1.35	8.0
1.35	1.41	8.5
1.41	1.47	9.0
1.47	1.54	9.5
1.54	1.61	10.0
add 0.5% for each \$0.07 thereafter		

We make every effort to minimise our operating costs and can assure you of our continued commitment to provide the highest level of service to you and your customers. As always a Quantum Solutions representative will be more than happy to offer further advice. Just call us on 1800 021 333.