

1 December 2007

Dear customer

Commercial Tariff 2007

I am writing to advise of a tariff increase of 2.2% that will be applied to all commercial rates from 1st January 2007.

While we appreciate that this rate increase will appear to come very soon after the introduction of the new tariff structure and the start of the new Northern Isles Ferry Services operating contract, the increase is considered to be below the 2006 real cost increase in the background operating environment and in line with the increase in passenger and vehicle fares applied for 2007. Cost increases on fuel, crewing, harbour operations and security in particular are running ahead of this level and just as in other businesses unfortunately such inflationary pressures cannot be ignored.

That said, the new contract secured by Caledonian MacBrayne, and taken up through the new NorthLink operating company, does provide for a stable tariff structure and known commercial rates throughout its duration - a prospect which we feel sure is welcomed by our service users. Despite this current notification of a rate increase for the year ahead, we would seek to assure you that NorthLink is committed to improving operating efficiency wherever opportunities arise and to maintaining competitive pricing across all our routes and services.

An updated table of the resulting commercial rates from 1st January is attached. Should you have any query on the price structure or booking and shipping process please contact either myself directly, Gareth.crichton@northlinkferries.co.uk or NorthLink Freight and Logistics Manager, Eddie Barclay eddie.barclay@northlinkferries.co.uk. We can both be contacted through the NorthLink administration switchboard on tel 01856 885500.

Yours faithfully

Gareth Crichton
Commercial Director
NorthLink Ferries Limited