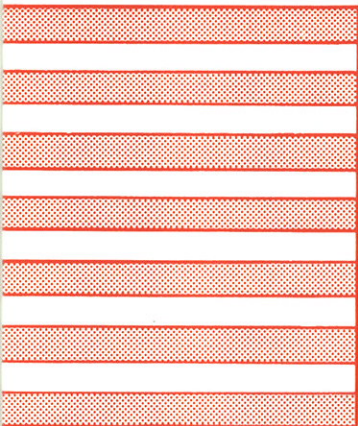


'ON LEMAN KS, HARTFORD



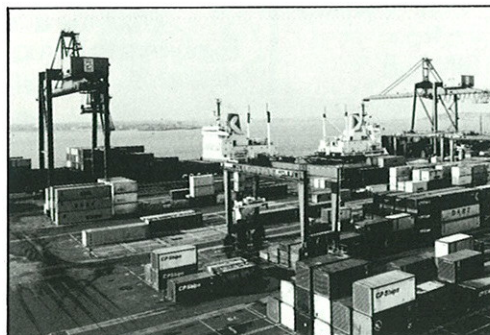
DECEMBER 1984 – Building completed giving in total 17500 sq. ft. of warehouse and 5000 sq. ft. of Office space. New address 80 King Spring Road, Windsor Locks.

JANUARY 1985 – Leif Elmstrøm previously employed in the U.K. rejoined the Company after 3 years in the Middle East – responsibility for the U.K. traffic.

APRIL 1985 – Warehouse fully utilized – decision taken to extend further with 15000 sq. ft. – to give 32500 sq. ft. – expected completion date September 1985. Stock Control and Documentation to be computerised, connecting on an On Line basis to Leman Racine.

Container Schedule

1. Container. 3659064 loading Leman Terminal BRADFORD. USA East Coast groupage.



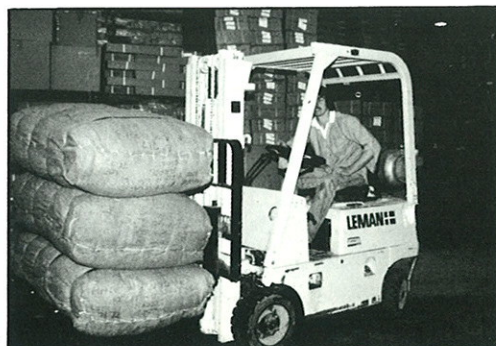
2. Shipment effected via the CANPAC MARITIME vessel sailing from Felixstowe every Sunday.

3. Container discharged from the vessel at the Racine Terminal, Montreal, to both road and rail.



4. Container. 3569064 unloading USA East Coast groupage at Leman Terminal, Windsor Locks, Hartford.

5. All cargo cleared Customs and available for delivery within 24 hours of arrival. Some cargo delivered immediately to the consignee's, other consignments stored at the Leman terminal, awaiting further instructions.



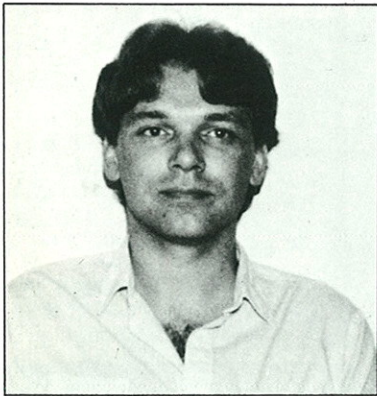
Will 1st January 1988 be a S.A.D. Day or not?

In an effort to eliminate OFFICIAL paperwork covering Intra-Community cargo movements the SINGLE ADMINISTRATION DOCUMENT (S.A.D.) will be introduced from 1st January 1988. The S.A.D. will have three functions.

- Export Entries.
- Transit Requirements.
- Import Declarations.

Trials are due to start in the U.K. in Spring 1986 followed by the introduction in 1987 of the EEC Integrated COMMUNITY TARIFF (TARIC)

New Appointment.



Jorgen Graungaard Petersen has rejoined Leman, Esbjerg with responsibility for the U.K. traffic.

Jorgen joins the Esbjerg team at a particularly busy time, however his 7 years in Esbjerg within the U.K. trade, including 2 years in the Bradford Office, will no doubt ensure an early contribution to the further development of the U.K. service.

THE FOB DEBATE.

The Centre For Physical Distribution Management (CPDM) recently carried out a survey amongst UK Manufacturing Companies exporting to Europe with the following results.

Question 1. How do you send your goods to European Customers?

- Direct to your Customers premises 47%
- To an owned subsidiary or owned warehouse 36%
- To an Agent 15%
- Others 20%

Question 2. What Terms of Sale do you use for your European Customers?

- Ex. Works 26%
- FOB 27%
- CIF 22%
- C + F 7%
- Paid home to Customers premises 18%

From the above it was noted that whilst more than 70% of UK Exporters to Europe take advantage of the through transport services available, less than 20% offer a delivered price to their customers.

Forecasts for the UK economy.

(% year on year volume change except where stated)

	1984	1985	1986	1987
GDP (output estimate)	2.2	3.3	2.3	2.3
Consumers' expenditure	2.1	2.4	2.1	2.0
Private comm/ind invest (exec. N. Sea)	11.3	7.9	5.6	5.6
Stockbuilding (£bn, 1980 prices)	-1.0	0.8	0.9	1.2
Government consumption	0.9	1.0	1.4	1.2
Exports of goods and services	7.3	5.7	2.8	2.3
Imports of goods and services	9.3	3.4	2.8	2.7
Current balance (£bn)	0.2	2.2	0.6	1.8
Inflation (RPI, % change)	5.0	5.2	4.3	4.7
Average earnings (underlying % change)	7.6	6.4	5.5	5.9
Unemployment (4th quarter level, m)	3.1	3.2	3.3	3.1
PSBR (£bn, financial years, commens yr ind)	9.3	7.0	8.0	8.0
Base rate (%)	9.7	10.6	7.5	7.0
Sterling exchange rate index (1975 = 100)	78.8	71.9	71.3	73.2
\$/£ exchange rate	1.34	1.18	1.36	1.47

Recognise the problem?

