MAGELLAN TECHNOLOGY

A.B.N. 93 009 137 393

PTY LIMITED

Dear Sir

REFERENCE: <u>Timco Engineering email dated 11 November 2006 (Job 2984AU6)</u> In response to the above email, please find details addressing the 2 enquiries as follow:

(a) EUT marketing methods

- The equipment is never sold at retail or to the general public. We manufacture and sell our products only to licensed users.
- The equipment is sold through only exclusive and formal license arrangements.
- Only PGIC (a system integrator company) is licensed by Magellan to install this
 equipment in the USA.
- PGIC technicians are professionally trained in installation methods and procedures by Magellan and by PGIC.
- PGIC already has trained professional installers to ensure that equipment is professionally installed and supervised.

(b) Professional installation

- The following statement has being included in the user manual, important information section, installation sub-section (at page 2):
- Magellan's RFID reader-writers are to be professionally installed by authorized, qualified and service-trained installation personnel only.
- Section 4.1.5 and 4.1.6 of the user manual describe the hardware and software installation of the antenna respectively.
- The antenna software set-up at section 4.1.6 refers to Reader Manager Guide (40-10-006-DOC) for detailed instructions using the Wizard tool in Reader Setup (Section 6.8) to properly set-up the antenna.

A copy of the new User Manual and Reader Manager Guide (40-10-006-DOC) are attached for your reference.

Sincerely Yours,

Tai Wai Pong Senior Test Engineer