

UPDATE ON VOLCANIC ASH IMPACT ON AIRFREIGHT OPERATIONS TO AND FROM THE UK

Dear Valued Customers

As I am sure you are all aware the volcanic activity in Iceland continues to cause havoc over EU and UK airspace and at this stage shows no sign of relenting. Even when the skies are re-opened for business the current backlogs in all key markets of Asia, India and the USA will take days or even weeks to clear and so all companies should expect further and ongoing disruptions around their inbound and outbound airfreight supply chains.

The directors and management of SEKO Synergy have been working around the clock throughout this past weekend with our overseas offices and partner airlines to deliver some viable contingency plans for our customers and will continue to do so, however below is an overview of the current situation and possible solutions.

All airlines in Asia and the Indian subcontinent have stopped accepting cargo as of this morning due to a severe backlog in their own warehouses. All flights remain cancelled until 0100 Wednesday 21st April at the earliest. This will remain the case until such time as European air space is re-opened either completely or partially.

Backlogs are substantial in our own warehouses in Hong Kong, Shanghai, New York, Delhi and other key markets but we will continue to take bookings but will work with your suppliers to ensure that cargo is not received until such time as the airlines can accept the bookings. We ask that you advise your suppliers the same.

Carriers in North America are accepting bookings but we expect this to change today with airlines not taking new bookings until the situation changes.

Outbound from the UK no airlines are accepting bookings as of today.

In terms of inbound alternative routing opportunities we are exploring several options with our overseas offices and carrier partners and in some cases other logistics providers and these include routing cargo to Italy, Spain or Turkey which are as yet generally unaffected by the crisis and then trucking from there. Other options include routing cargo from Asia to the United States for onward transit by ocean freight across the Atlantic as well as routings into the Middle East and North Africa for onwards distribution by ground, however all of these options are not without significant supply chain risk.

Into Southern Europe the airlines that are operating have limited capacity and many organisations chasing what little available space there is has driven the prices above what would be considered reasonable given even these circumstances.

We are also looking into a charter opportunities as they become available and would hope to have more on that within the next 12 hours or so as we work with our charter partner on some possible solutions and will update the specific customers that have significant volumes on the ground in Hong Kong and Southern China should this become a viable option. It must be pointed out however that with the current chaos at French, Spanish and Dutch ports that the onward trucking from Europe into the UK of a charter option is far from guaranteed.

In terms of communications please contact your local SEKO Synergy office for further updates or email volcanoupdate@sekosynergy.com for specific answers to specific shipments you may have.

We will update our website every 24 hours with a current view of status in all key markets and thank you for your patience and understanding at this challenging time.

With Best Regards

The SEKO Synergy Management and Directors