



ADM

Customs & Freight Services P/L
ABN 50 791 830 427

www.admcus.com.au

27th October, 2009

IMPORTANT NOTICE TO ALL CUSTOMERS

CURRENT CRITICAL AIRFREIGHT SPACE SITUATION IN CHINA

Dear Customer,

Please be advised that the airfreight space from China has now reached extremely critical levels.

Although we are within our traditional peak season, the below factors are now causing serious and unprecedented levels of reduced space availability/capacity.

- Airlines have reduced capacity because of the financial crisis earlier in the year. Therefore the supply much lower for this time of year than ever before. As a result the price has been driven up.
- The recovery of the economy has motivated spending, retailers are expecting better sales, so more orders (especially urgent orders) for airfreight are being placed.
- Inventory levels that were under stocked earlier in the year are now being restocked rapidly, increasing volumes in the market.

All the above factors are resulting in one of the biggest peak seasons in quite some time. Most carriers are receiving more bookings than their capacity. Many airlines are starting to select free sell cargo at higher yields, to fill their slot locations, in order to compensate for the losses they incurred at the beginning of the year.

We are doing our utmost to protect the necessary space for all of our clients.

If you have any queries regarding the above, please do not hesitate to contact your ADM Customs representative.

Yours faithfully,

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