

5th September 2010

An update for you as best we can on the logistical challenges we will all face over the coming days as Christchurch begins to recover from this weekends earthquake.

1. **Freight**

Although our three major freight hubs in Christchurch have sustained minor structural damage, all are operational and will be able to process inbound and outbound freight from today Sunday 05/09/10. In fact we already have emergency supplies heading to Christchurch by road today.

Rail

Christchurch is currently not rail serviced. KiwiRail expect repairs to 5km of damaged track to take two to three days.

Sea

Lyttleton Port has sustained minor structural damage but is open to service inbound and outbound shipping.

Road

Roads are open in to and out of Christchurch however, many of you will have seen images of major road damage in various parts of the Canterbury region.

Points to Note

It is probable that demand from freight space into Christchurch region will be stretched over the coming days and weeks.

- a. Until Rail connections are up and running we will be dispatching a limited number of road units to satisfy demand for emergency supplies.
- b. We understand that the Christchurch distribution centres from the two major food groups have sustained considerable damage and will be out of action for some weeks.
- c. Various plans are being formulated for grocery resupply from alternative cities, but we would expect an increase in direct to store deliveries.

Many businesses will have suffered similar issues in their Christchurch distribution centres, there will be limited space and resources to process and pick orders in the Canterbury region. Therefore it is our advice in conjunction with your customers, orders are picked and despatched to

store. We are confident that our network can cope with these changes and believe this would ease pressure on the distribution facilities in Christchurch.

2. Warehousing

We have sustained major loss of product where racking has collapsed inside our four warehousing facilities. All customers have been spoken to and advised of the situation and will be regularly updated by our warehousing team on progress, salvage and ability to restock and re-supply. Should you have any questions regarding warehousing stock status, please do not hesitate to call your regular contact.

3. For More Information

On Monday 06/09/10 our branch managers, sales representatives and customer service team member will be stationed at their branches to advise you on any questions that you may have in regard to these issues. Please do not hesitate to contact them.

We also ask for your patience over the coming days, as we prioritise the limited freight space available.

If you have any addition concerns please contact

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Kind regards

Mark Newman

New Zealand Forwarding Manager