

AMI Manchester hits 75% local departures, saves 100,000 truck miles

A commitment to support local departures whenever possible, has seen direct exports via Manchester Airport (UK) top 75% for AMI – the world’s leading trade-only airfreight and express wholesaler. Using local departures has achieved later cut-offs for AMI’s freight agent customers, and saved 100,000 truck miles per year.

Since AMI first opened a Manchester operation in the 1980s, its declared aim has been to support Manchester departures wherever possible, instead of adopting the airfreight industry’s common practice of trucking all cargo 200 miles south to London Heathrow.

Continuing expansion of Manchester Airport’s international flights has enabled AMI to progressively increase its support for local departures. The company’s latest audit reveals it now exports 75% of all cargo booked through its Manchester office on Manchester-departing flights.

Manchester is the UK’s fastest-growing city, its second largest population centre and third largest metropolitan economy. Manchester Airport is the UK’s third busiest airport, with regular flights to Europe, North America, Caribbean, Africa, Middle East and Asia; AMI supports services to all these regions. Manchester is currently the only UK airport apart from London Heathrow that can accommodate the A380.

AMI’s Manchester branch covers the entire northern half of England, along with Scotland, and generates 25% of the company’s total UK cargo bookings. In addition to handling ‘back-to-back’ shipments, AMI Manchester operates 81 consolidations per week on 14 airlines flying from Manchester airport.

Thanks to AMI’s policy of favouring local flights, and following recent investments in a self-handling operation, state-of-the-art scanning equipment and increased staff levels, AMI Manchester has witnessed a steady increase in tonnages, despite tough market conditions.

Says recently-appointed Regional Manager - Northern England, Samantha Leaper: “We’re proud to support our local airport, and doing so also makes good business

sense. Using flights from Manchester, we are providing the northern and Scottish agent communities, and the exporters who are their customers, with more direct routings, later close-outs and keener rates. That makes them more competitive. "Using ex-Manchester departures, we are consistently achieving flown as booked rates above 97%. With no congestion or queuing problems at our terminal, and fast-track deliveries for time-critical freight, we are finding we can offer unprecedented service standards to this market. At the same time, we are easing road congestion and protecting the environment."

For the 25% of shipments which AMI cannot yet accommodate on direct Manchester departures, it continues to provide trucking services from its receiving centres in Liverpool, Belfast, Leeds, Hull and Sheffield into its Manchester terminal, which then connect with nightly express trunk services to London. From mid-March, close-outs for the Manchester-Heathrow service are extended to 21:00hrs.

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About freight wholesaling:

"Airfreight wholesaling" is the process by which freight agents can purchase space through an intermediary ("wholesaler"), generally at lower rates than are offered by the airline or shipping line itself. In airfreight, this is achieved either:

- by the wholesaler consolidating many small shipments into a single booking, taking advantage of the lower rate per kilo offered by airlines for larger shipments, and then effectively sharing the resultant saving with its customers in the form of lower rates;

or

- by combining dense cargo and volume cargo on the same airline pallet, in order to maximise the chargeable capacity of the pallet without exceeding its physical weight limit. As most airfreight is "volume" (that is, its volume is greater than the usual airline conversion ratio of 6000cc per kilo) it is charged by volume rather than weight. Skilful combination of dense and volume cargo can reduce the average volume: weight ratio of cargo on the pallet, resulting in more capacity, and a lower cost per kilo - part of which saving is then passed back to the wholesaler's customers.

Consolidated airfreight shipments also benefit from lower minimum charges than those imposed by airlines. Normal airline minimum charges can often make a small shipment prohibitively expensive.

In ocean freight, savings are generally achieved by a consolidator combining many smaller shipments into larger volumes, and loading these into full containers

for presentation to the shipping line. The full container load (FCL) rate thus achieved represents a saving on the “loose” or LCL (less-than-container-load) rate offered by the line, and much of the difference is passed back to the exporting agent in the form of lower rates.

About AMI:

AMI pioneered the neutral, *trade-only* airfreight wholesale concept in 1976. Its early years were spent in developing relationships with numerous carriers, in order to provide its agent customers with a single source of capacity for all their traffic: a “one-stop-shop”. On many destinations, customers were given a choice of service levels, often based on direct or (slower) transshipment services, which were rated accordingly.

Neutrality – in other words, the deliberate distancing from any commercial dealings with shippers – has always been the core ethic of AMI, and a very strong selling-point. From its beginning, when AMI first entered the market, a number of full-service freight forwarders have offered “co-load” services to smaller agents. But the underlying potential threat of an agent's customer being approached by its supplier who was also a competitor, has led many agents to give greater support to AMI.

Today, in a market which is dominated by spot-rating, AMI has strengthened its competitive position through a combination of convenience (the ability of an agent to book a large proportion of all his global traffic with a single call or internet booking, and deliver to a single drop-off point), pricing (like airlines, AMI also now spot rates for larger shipments), attractively-priced added-value services (such as receiving and trucking, and security scanning) and practical experience (for example, AMI will not support carriers or routings which – based on its vast experience - are known to present potential problems).

AMI was acquired by publicly-quoted John Menzies plc in 1993, following which it was re-branded Air Menzies International. The addition of express services to the AMI product group (now operating as a separate division, AMI Express) has broadened AMI's appeal to freight agents, who were previously compelled to support the services of integrators offering inadequate margins and presenting the potential threat of customer poaching. AMI Express has also given AMI access to a totally new market - domestic couriers and parcel companies with occasional international needs.

AMI is now set on a programme of international expansion, aimed at building a web of sales and operational bases each of which then feeds the others. In 2004 it opened an operation in Germany and this was followed, in 2007, by the acquisition of its former service partner UAC - a well-established and complementary trade-only freight wholesaler with extensive operations in Australia, New Zealand and the USA, plus joint-ventures in China and Hong Kong. All operations were re-branded with the AMI identity at the beginning of 2008, and the renowned AMI global tariff format and product range are being introduced to each location to complement the services already offered.

In March 2008 AMI acquired MMA, its former service partner in South Africa, giving it three more locations and a leading position in one of its historically most important markets. With the recent opening of new offices, AMI is now present at 22 locations, and continues to look at opportunities for further expansion. AMI also operates a network of service partners in over 120 global markets, whose role is to break-bulk, clear customs and (if required), deliver to destination.

About Menzies Aviation plc:

Menzies Aviation is a leading global provider of passenger, ramp and cargo services. It also owns AMI, the world's only trade-only global airfreight- and express wholesaler. The Menzies Aviation business is highly successful - operating at 142 airports in 30 countries, with annual revenue in excess of US\$1.1bn and supported by a team of over 20,000 highly-trained people. Menzies Aviation serves over 500 customers, handling over 1m flights and 1.6m tonnes of cargo per annum. Best in class safety and security, the most resilient and innovative technology in its peer group and flawless customer service are what sets Menzies Aviation apart from other service providers.

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AMI

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