

That's service!

In the days since DHL's announcement, you have turned in a 99 percent on-time average system based on ABX controllable issues. Such remarkable performance speaks volumes about the kind of People we are and the things we value. Thank you for making it happen.

Working Hard

Our leaders are working very hard to show DHL and their parent company Deutsche Post World Net that they need to reconsider the intention to send their work away from Wilmington.

Chief Executive Officer Joe Hete and Vice President of Regulatory Compliance and Government Affairs Bob Gray have spent days in Washington meeting with our congressmen, senators, and others. President John Graber has been working with leaders in Washington, Cincinnati, and Columbus. He has been to many of Ohio's major newspapers with David Raizk, Wilmington's Mayor. We've met with Ken Allen, and asked for meetings with Deutsche Post at its Bonn headquarters.

Task Force

Ohio Lieutenant Governor Lee Fisher and Wilmington's mayor David Raizk have built a task force to help change the outcome of all this. Joe Hete is on that task force as are elected officials and representatives from many other local and regional businesses. Subcommittees have been formed to focus on retaining DHL, helping with jobs if needed, and redeveloping the air park if necessary.

Transition

ABX Air will host a Transition Center to aid you with resumé preparation; job search assistance; unemployment planning; guides to state aid and retraining; GED assistance; job fairs; and counseling for financial, stress/health, social service, and unemployment matters.

The online portion of the Transition Center is already available at MyABX.com/ownyourfuture. By completing the job skills survey on the web site, you will help us determine the services that will be most useful to you.

Planning

ABX Air's leadership is working on retaining DHL and at the same time further developing ABX Air's options should DHL complete its plans with UPS. We are advancing several work streams at the same time.

HELPING TO CHANGE DHL'S MIND. We are aiding elected officials in their attempt to convince DHL to reconsider leaving Wilmington, and we have prepared a plan that is very close in cost to what DHL says they will be paying UPS.

BUILDING OUR POSITION AS A CARGO CHARTER AIRLINE. ABX Air is a large ACMI (Aircraft, Crew, Maintenance, and Insurance) carrier today, and we will expand our ACMI Boeing 767 fleet by adding cargo doors to more aircraft. To compete in this marketplace, we must align our cost structure with other carriers.

LEASING AIRCRAFT. B767 freighters are in demand in the marketplace. Leasing aircraft is a less attractive option to many ABX Air stakeholders, because it does not employ as many people.

In addition to the above options, ABX Air has business plans beyond the core DHL and airline businesses:

RUNNING A GROUND OPERATION. DHL confirmed again this week that they intend for ABX Air to run a day sort ground hub in Wilmington for some extended period of time. These positions will be staffed based on seniority within the Ground Department.

ENGINEERING EXCELLENCE. ABX's flat panel display business and other third-party engineering work can pull its own weight, and it is important to us. We plan to do everything we can to make that business succeed in Wilmington.

INVESTIGATING MRO OPTIONS. If we can lower our costs and continue to use the ILN hangar facilities, we strongly believe we can run a successful MRO (Maintenance, Repair, and Overhaul) business performing heavy maintenance work on other carriers' aircraft. We will push hard to keep the hangars for the long term, though we don't know DHL's plans for the air park yet.

OFFERING MATERIAL SERVICES. Another piece of business that shows promise and has a place in our plan moving forward is ABX Material Services.

PROVIDING FACILITY SERVICES & SUPPORT. Vice President of Air Park Services Gary Stover is developing a facility logistics service organization that has very exciting prospects going forward.

We're pursuing other opportunities as well. Years of work diversifying our company with business that doesn't rely on DHL will help save jobs. We won't be able to replace everything we lose if DHL does go away, but we certainly are positioned today to sustain many jobs we could not have supported previously.

DC-9 Reductions

DHL provided its final DC-9 reduction plan this week, which removes 23 DC-9s by December of this year (eight in June, six in July, two in August, three in October, and four in November). The remaining 32 aircraft are planned for removal in the first two quarters of next year.

Reductions inevitable

We will reduce the number of positions we have at ABX Air as we move forward. We don't know what our company will look like yet, but it is clear that we will be smaller. Here is what we know today about how reductions will work:

- At ILN we will provide at least 60 days notice if your job is being eliminated. What that means is that we'll designate the first positions to be eliminated in early July, and it will be at least 60 days before we lay anyone off.
- We are discussing severance and retention packages with DHL.

Watch a Video of the Hangar Talk

A video version of the June 25 Hangar Talk is available on the company Intranet (<http://abxnet>) under the Employee Connections menu.

More Answers Coming Soon

We continue to receive many questions and are working to get you answers as quick as we can. Keep sending your questions to Joe.Hete@abxair.com, John.Grabber@abxair.com, or John.Starkovich@abxair.com.

What's Next?

DHL and UPS have not signed an agreement yet. Here is what we know.

DHL continues to tell us they are relying on ABX Air to work for them well into 2009, providing all the services we provide today, which includes sorting, flying, maintenance, and air park services.

Our Regional Hub system will begin transitioning to DHL this year. As of July 1, we don't know which locations will be affected or when.

DHL indicates they have not yet started planning 767 fleet reductions, and there are DC-9s in the schedule through at least April of 2009.

INFOLine – New on Thursdays

Remember to call (937) 366-4636 each Thursday afternoon for the John Graber's INFOLine. Text and audio of the INFOLine also is available online at MyABX.com/INFOLine.

Need Some Help?

Visit MyABX.com/benefits for the schedule of the on-site Employee Assistance Program counselor, as well as tips, articles, and information to help you and your family deal with stressful situations like this. Counselors are available 24/7 by phone at 1 (800) 888-2998.

Focused on You

To help us determine the questions most important to you, we've held some employee focus group meetings. Eight sessions have been held so far with around 100 participants from all departments. Thank you to all who have participated.

Yard Signs

Thank you to Senior Hardware Technician Dean Merriman for suggesting Yard Signs for employees to place in their yards. Signs are due in any day now and will be available for pickup by all employees at ABXU (in Building 2) and at the Company Store during normal hours. Visit MyABX.com/FYI for details.

