

DPWN Nov. 10 Announcement

- By February 2009, DHL intends to:
 - Withdraw from domestic U.S. business
 - Close all DHL and ABX Air regional hubs
 - Offer only international service in U.S.
- DHL/UPS negotiations are on-going.
 - They are working to have an agreement by year's end.
 - DHL will continue operating its five gateways (Miami, Wilmington, San Francisco, Los Angeles, and New York) until the UPS outcome is known.

Substantial change for ABX Air

- Ground product goes first, not last as previously anticipated
 - Regional Hubs are closing by February.
 - Wilmington day sort is closing by January.
 - Shrinking volume may drive December closures of some ABX Air Regional Hubs.
- DHL migrates SDS material into night sort.
- Night sort anticipated to operate through June 2009, employing 550 to 600 ABX Air sort and ramp employees.

Regional Hubs

- Timeline
 - WARN notices were issued to all employees last week
 - Release dates will occur in reverse seniority order (we will release employees from the most junior to the most senior).
 - Releases will start Nov. 24.
- Benefits - we finalized an agreement with DHL to provide:
 - Severance:
 - Two weeks for first year
 - One week for each additional year of service
 - No cap
 - Severance runs concurrent with 60-day notice at most hubs
 - Retention (not previously offered):
 - UPS deal is not required
 - Full-time employees will receive \$4,000 retention payment
 - Part-time employees will receive \$2,400 retention payment

Wilmington Impact

- Timeline
 - ABX proceeded with the reductions scheduled before Nov. 10.
 - We will continue to ask for volunteers by department as needed.
- Benefits - we received approval from DHL to provide:
 - Night sort and day sort will receive the same severance and retention.
 - Retention does not require a UPS deal
 - Retention will be paid back to July 1, 2008
 - Notice reduced from 60 to 14 days
- WARN requirement runs concurrently with severance period.
- Noticed employees will be allowed to leave after 2 weeks.

Flight and Maintenance Impact

- DHL's changes will result in smaller operations of unknown duration
- If a UPS deal were signed today:
 - ABX Air and ASTAR are required until July 2009 due to UPS I.T. constraints
- Total fleet size required by DHL will be between 20 and 25 aircraft
 - Mix of ABX and ASTAR not yet determined
- DHL has agreed to severance for employees who transition to our MRO or other ATSG companies
- Pilots' pension/severance funding still available
 - DHL expects continued reliable service

What's next?

Job Reductions will begin weekly

Based on the revised DHL plan announced on Nov. 10, we will begin exiting employees on a weekly basis. Plans by department are being finalized now that will streamline the exit and volunteer process.

Here are the steps that you can expect in general.

1. Call for volunteers by department where applicable
2. Volunteer acceptance notice
3. Official notification date voluntary/involuntary
4. Severance review meeting
5. Transition Center Orientation
6. Transition center classes

No easy task

This is no easy task, and we appreciate your patience and professionalism as we work through refining the process to minimize the impact on each individual. As we reduce jobs, we'll treat our People respectfully. We'll give notice, and we'll make sure we take volunteers first whenever we can.

In summary

- We are working very hard to get you the answers you deserve. We know you will have questions. Please ask your supervisor, contact Employee Relations, or send your questions to Communications@abxair.com.
- We will communicate frequently through your management and official ABX Air communications channels.
- Now more than ever, we all have to work safely, watch out for each other, and do our jobs.