

## Wage negotiations: Important step toward bolstering the future of Mail Division

- Savings of about €140 million in 2010 and around €230 million in 2011
- No pay raise in 2010 and 2011
- Pre-Christmas strikes averted
- CEO Appel: “Stage win for stable income and secure jobs”

**Bonn, Oct. 30, 2009:** In wage negotiations covering the approximately 130,000 employees of Deutsche Post, the company and the Verdi services union reached an agreement today on a sweeping package designed to secure jobs and stabilize costs at the Mail Division. Both parties agreed on a wage freeze for 2010 and 2011. Furthermore, an agreement was reached on expanding the use of outsourcing in the parcel and transport area. The social partner also consented to further negotiations aimed at solving the structural problems at Deutsche Post – should the company’s business situation deteriorate further. Overall, the agreement with Verdi will result in considerable cost savings of €140 million in 2010 and €230 million in 2011 that will have a direct impact on the Mail Division’s earnings.

The CEO of Deutsche Post DHL, Frank Appel, said: “We have achieved a stage win in our work to stabilize earnings at the Mail Division and to secure jobs. We believe that we have made a significant contribution to bolstering earnings at Mail for the next two years. We were able to achieve this result only because we addressed the problems at the right time. One of our key goals was to prevent Germany’s difficult economic situation from being dealt a further blow caused by a pre-Christmas strike in the mail and parcel area.”

### Wages and workweek

Specifically, Deutsche Post and Verdi agreed that, before Jan. 1, 2012, no new pay increase would follow the 3 percent raise planned for Dec. 1, 2009. The cost-cutting agreement from the current collective-bargaining agreement – including the retention of Christmas Eve and New Year’s Eve as workdays – will be extended for up to two years. In return, company employees covered by the agreement will receive a lump-sum payment of €320 in March 2011.

## **Job-securing steps**

The reduction of paid breaks in the current collective-bargaining agreement, which results in 50 minutes of additional work without financial compensation, will be extended by six months to Dec. 31, 2011. The employment pact – which rules out layoffs made for business reasons – will be extended to this date as well.

## **Outsourcing**

In the parcel area, an additional 166 parcel delivery districts will be outsourced to partner companies, raising the total to 990. In the area of transports between mail centers, an additional 550 drivers of the current total of 4,150 can be replaced by service partners.

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