

POSTAL NEWS

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1. Austria Has No Plans to Sell Postal Service to Deutsche Post

By Zoe Schneeweiss

May 4 (Bloomberg) -- Austria currently has no plans to sell a stake in Oesterreichische Post AG, Austria's biggest mail service, the country's state asset agency OIAG said in an e- mailed statement.

The agency doesn't have a mandate to sell the postal service and isn't it talks on a sale, according to Anita Bauer, a spokeswoman for the agency. She rejected an article in Profil magazine, which reported that OIAG plans to sell a 25 percent stake to Deutsche Post AG "in the medium term."

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Last Updated: May 4, 2009 02:51 EDT

2. Aramex first quarter net profit rises 19%

Monday, May 04, 2009

Aramex, the global logistics solutions provider, today announced net profits of AED 43.1 million for the three-month period ending March 31, 2009, compared to AED 36.2 million for the corresponding period in 2008, representing an increase of 19%. The company's strong financial performance, despite extremely challenging market conditions, reflects the adaptability of Aramex's asset-light business model, and its ability to quickly adopt cost-efficient programs during prolonged economic downturns.

Revenues for the first quarter of 2009 reached AED 463.4 million, a 6% drop from the AED 494.5 million achieved during the same period in 2008. However, although this decrease was driven by a significant global slowdown in trading activity and a fall in worldwide industrial output, the depressed climate did help Aramex in

reducing costs by negotiating better rates with its major suppliers. It is also important to note that AramexAramex's revenues in the GCC stayed strong and showed an increase of 5% over the same period last year, fueled by growth in domestic and international express services, and despite a double-digit drop in freight forwarding revenues. The strong financial position of the company is backed by AED 342.8 million in cash and a very low debt position.

"The past two quarters, which have witnessed a global financial meltdown, a very serious slump in worldwide trade, and very low levels of consumer confidence, have tested our ability to deliver the results expected of us by our stakeholders," said Fadi Ghandour, founder and CEO of AramexAramex. "During this period, we needed to stabilize the business while continuing to deliver the same high-standard services to our clients. At the same time, we needed to reassure our own employees, and to let the market know that our asset-light business model is at its best when it is tested - as in these turbulent times.

"I am happy to say that AramexAramex's results for this quarter are a testament to the resilient, entrepreneurial spirit of our people. Working as a team, we controlled costs at all levels, pursued market share aggressively, negotiated with suppliers, and protected our existing clients," Ghandour said. "As a result of these actions, our margins have improved." Ghandour continued: "It is important to note that an accelerated trend in outsourcing logistics services across the Gulf is now clearly apparent, prompted by clients revisiting their cost structures and needing to streamline their supply chain. AramexAramex continues to benefit substantially from this new trend and, more generally, remains focused on meeting the evolving needs of our clients by developing and customizing our service offerings, and empowering our employees across the network."

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Tuesday, May 5, 2009, 10:20am EDT

3. UPS plots Asia-Pacific growth

United Parcel Service Inc. will increase its global post sales service options in the Asia-Pacific region.

The Atlanta-based company said Tuesday it plans to expand its field stocking location (FSL) network in India and start an Asia Post Sales Customer Support Center in Clark, Philippines.

"Despite current economic conditions, Asia continues to be a global manufacturing hub and market research indicates Asia's contract logistics market could overtake North America's in the next five years," said Brad Mitchell, president of UPS Logistics & Distribution, in a news release.

UPS will grow its presence in India with plans for more than 130 FSLs through an agency agreement with AFL, one of India's leading logistics and domestic transportation service providers. FSLs provide logistics support to companies that must respond quickly to customer service needs, such as high-tech electronic firms. UPS also has a new Asia Service Parts Logistics (SPL) Customer Support Center in Clark, Philippines. UPS' SPL network is already the world's largest with more than 700 field stocking locations in 120 countries.

4. Postal Workers and Paper Dust

By EarthTalk

May 2, 2009 - 5:13:56 PM

(HealthNewsDigest.com) - One of the drawbacks to the increasing mechanization of postal facilities is the increase in paper dust. The machines doing the grunt work loosen the dust and send it airborne where workers can breathe it in copiously. Contrary to what management and the union may say, paper dust can be a hazard to postal workers, causing and exacerbating respiratory problems. Sorting machines could also theoretically disperse contaminants (such as anthrax) intentionally sent through the mail into postal facilities, further adding to the risk of the job.

“There's no federal safety standard on it, so it's a real problem,” reports Bob Williamson, president of the San Francisco chapter of the American Postal Workers Union (APWU). “We've had people who have developed occupational asthma from breathing the fine dust.” Other reported problems include bronchitis, allergic reactions, migraines, bacterial infections, conjunctivitis and sore throats.

In the Fall of 2008, more than 450 current and former postal employees, many in the Chicago area, signed a petition to occupational health officials and postal unions blaming health problems on paper dust fibers inside post offices. Some are seeking health benefits to pay for related medical treatment.

“I do believe that my life is going to be shortened,” Delphine Howard, a former manager at two local post offices, told Chicago's ABC7 News. “I started having severe bronchitis attacks, severe asthma attacks, and severe chest pains.” She worked for the postal service from 1987 until 2005 when her doctor diagnosed her with “a medical condition that is affected by unclean air, dust particles and residue in volumes in her present employment areas.” Several other Chicago area postal workers complained of similar symptoms as a result of ongoing exposure to postal dust.

The U.S. Postal Service (USPS) studied the issue in 1998 and found no direct link between health and postal dust, but did discover that sorting machines could send potentially carcinogenic volatile organic compounds (such as ink) and other irritants like dust mites, into the air. The USPS told ABC7 News it had “only received two direct complaints of respiratory problems in the last several years.”

Diligent cleaning of the machines can help keep the problem in check. “Vacuum and wipe down the machines every day rather than resorting to the quicker method of blowing the dust off the machines and into the air,” says the APWU's Williamson, adding that workers can also wear masks to minimize breathing in of postal dust and any contaminants in the air with it. He also recommends that post offices rotate their workers around to different duties to avoid perpetual exposure to potentially harmful or aggravating activities. Besides dealing with paper dust, mail sorters frequently suffer from muscular-skeletal problems associated with repetitive motion strain.

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5. UPDATE 1-TNT Q1 core profit falls 44 pct, some stability seen

Mon May 4, 2009 2:18am EDT

- * Operating profit 163 million euros, above forecast
- * Sales down 10 percent, net profit down 57.5 percent
- * Remains cautious for tough 2009
- * Welcomes signs of stability in express business

(Adds detail, CEO statement)

AMSTERDAM, May 4 (Reuters) - Dutch mail company TNT NV (TNT.AS) reported a 44 percent drop in operating profit on Monday, hurt by worsening demand for its delivery services as the global economic slowdown dampens transport volumes. Earnings before interest and taxes at Europe's second-largest mail and express delivery company after Deutsche Post (DPWGn.DE) was 163 million euros (\$216.5 million) in the first quarter, compared with the average forecast for 153 million euros in a Reuters poll of nine analysts.

A year earlier, TNT posted EBIT of 289 million euros.

"Nothing has changed with respect to our previously indicated cautious stance towards 2009: we assume trading conditions of first quarter 2009 to persist through the rest of the year," Chief Executive Peter Bakker said in a statement.

But he added that a recent stabilisation in TNT's express division was a "welcome sign".

Last week, TNT said it would stick to its goal of cutting 395 million euros in annual costs after postal union members rejected a draft labour accord that included wage cuts.

Net profit fell 57.5 percent to 76 million euros on revenue of 2.44 billion euros.

Analysts had forecast, on average, net profit of 73 million euros on 2.5 billion euros of revenue. (Reporting by Reed Stevenson)

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6. FedEx lawsuit alleges UPS 'most reliable' ad is false

By Wayne Risher (Contact), Memphis Commercial Appeal

Saturday, May 2, 2009

FedEx slapped its chief rival Friday with a lawsuit claiming false advertising by UPS. UPS officials said they were pulling the offending ad, which touted UPS as most reliable, after learning the claim was based on an out-of-date customer satisfaction survey.

The lawsuit asked UPS to kill the ad and pay FedEx for lost business and other impacts, including "corrective advertising costs" of at least \$20 million.

"As the company that coined the term 'absolutely, positively,' we obviously take any competitor claims of superior reliability very seriously," FedEx spokesman Maury Lane said.

"UPS has been widely broadcasting an ad asserting that their service is the most reliable. We have notified UPS that their ad does not comply with the law, but they

have refused to withdraw the ad. We are now asking for the court's assistance in protecting consumers and FedEx from false and misleading statements," Lane added. FedEx reported receiving a letter by e-mail from UPS about two hours after the lawsuit was filed in federal court in Memphis.

UPS spokesman Norman Black described the letter's timing as coincidental, and said it was in response to an earlier letter from FedEx.

"The ad was clearly based on a 2008 survey by an independent party, and just last week there was a new survey that came out that changed the rankings," Black said.

"With that new survey, we have advised them we're not going to use it any more."

The lawsuit revolves around a television ad that has been running since at least mid-March. It says UPS "was just ranked most reliable," a reference to a November survey of 200 shippers by investment firm Morgan Stanley.

FedEx lawyers challenged the ad's compliance with truth-in-advertising law, saying survey findings were outdated and lacking substantiation.

In Morgan Stanley's survey dated Sunday, shippers ranked FedEx most reliable.

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