



**2011 Pay & Conditions Claim for DB Schenker
Engineering Grades**

DB Schenker CSEU Engineering Council

Unite the Union, on behalf of the CSEU, submit a Pay & Conditions claim for all Engineering staff working for DB Schenker, effective from the anniversary date of the 1st January 2011.

Substantial increase in pay and all allowances above the retail price index for all Engineering grades

CSEU/Unite are submitting the Pay & Conditions claim for 2011 well in advance of the anniversary date. By submitting our claim well in advance we wish to see negotiations concluded in advance of the anniversary date.

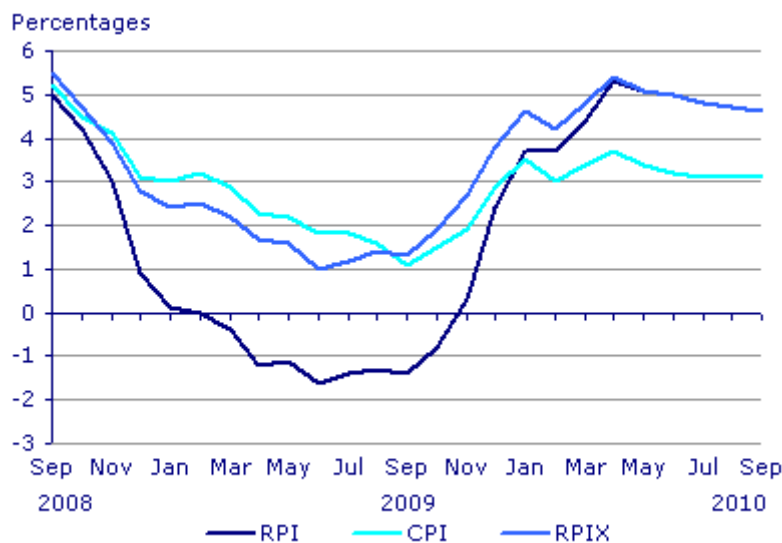
We would like to further confirm that CSEU/Unite is committed to working with the Company in order to achieving our aims and we offer the following dates to discuss our claim - 29th November 1st, 2nd, 6th and 8th December 2010.

In support of our claim we will provide the following supporting evidence

- **RPI/CPI chart and report on the cost of living from National Statistics**

Inflation

CPI inflation 3.1%, RPI 4.6%



CPI annual inflation – the Government’s target measure – was 3.1 per cent in September, unchanged from August. Although unchanged overall, at the more detailed level, there were significant upward and downward pressures on CPI annual inflation between August and September.

The largest downward pressures to the change in CPI inflation came from a variety of transport costs:

- air transport where fares fell by 27.8 per cent this year compared with a fall of 23.8 per cent a year ago. The largest downward effects came from long haul and, to a lesser extent, European routes
- fuels and lubricants where prices, overall, fell by 0.8 per cent between August and September this year but rose by 2.3 per cent a year ago, principally reflecting a fall of 1.1 pence per litre in petrol prices this year compared with a rise of 2.4 pence per litre a year ago
- falling second-hand car prices between August and September this year compared with price rises a year ago - there were reports of stock shortages leading to higher prices for second-hand cars during 2009

The largest upward pressures to the change in CPI inflation came from:

- clothing and footwear where prices overall rose by 6.4 per cent this year, a record rise for the August to September period. The largest upward effect came from women’s outerwear where prices rose sharply this year with the 2010 autumn season
- food where the largest upward effects came from meat and fruit. Meat prices rose by 0.3 per cent between August and September this year but fell by 1.2 per cent a year ago. The fall last year was a record for an August to September period. Fruit prices overall fell between August and September this year but by less than a year ago

In the year to September, RPI annual inflation was 4.6 per cent, down from 4.7 per cent in August. The main factors affecting the CPI also affected the RPI.

RPIX inflation – the all items RPI excluding mortgage interest payments – was also 4.6 per cent in September, down from 4.7 per cent in August.

As an internationally comparable measure of inflation, the CPI shows that the UK inflation rate in August was above the provisional figure for the European Union. The UK rate was 3.1 per cent whereas the EU’s as a whole was 2.0 per cent.