



## Investor Relations Newsletter

Issue: 2/2008

**Dear subscriber,**

Today, Deutsche Post World Net published the Group figures for the first half of 2008. This e-mail provides you with the second edition of the Investor Relations Newsletter with the latest information about our company.

Please do not reply to this e-mail! If you would like to contact the Investor Relations Team, please e-mail us at [Aktie@deutschepost.de](mailto:Aktie@deutschepost.de).

Kind regards,

Your  
Investor Relations Team  
Deutsche Post World Net

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## H1 2008

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### Overview

#### **What we have delivered in the first half of 2008:**

Although the economy remained fragile in the United States with the economic weakness spreading to Europe, we reported satisfactory performance with revenue of €31,959 million and EBIT before non-recurring effects of €1,887 million. The Board of Management and the Supervisory Board have initiated the steps necessary to improve results by adopting a comprehensive programme to realign the US express business.

#### **What we intend to deliver by the end of 2008:**

Based on the half-year result and assuming that the global economy will not significantly worsen, we are maintaining our full-year guidance and expecting EBIT before non-recurring effects of around €4.1 billion. We also plan to continue implementing the Roadmap to Value, our route to sustained value growth.

Further information can be found on our website:

- ▶ [Interim report H1 2008](#)
- ▶ [Investor news](#)
- ▶ [Investors' conference call](#)

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## Letter to our Shareholders



Dear shareholders,

Ever since I took office as Chairman of the Board of Management last February, I have been emphasising the fact that the express business in the USA is at the very top of my list of priorities.

In May, we were able to present you with a pragmatic, comprehensive solution with which we intend to improve our US express business. A core element of this plan is to achieve substantial cost reductions through a proposed agreement with United Parcel Service in the area of air transport. The restructuring measures already undertaken are proceeding according to plan. The negotiations with UPS are making progress and are likely to be concluded in the near future as planned.

The restructuring is a key component of our Roadmap to Value capital markets programme. As stated in our promise to you, this programme will allow us to tackle problem areas related to our financial performance and boost our earnings power. For instance, we have already surpassed our target of generating at least €1 billion from real estate disposals by 2009.

All in all, we are satisfied with our business performance. Despite certain indications that growth in the air freight sector and the express market slowed in the second quarter, our EBIT before non-recurring effects grew substantially, increasing approximately 12% in the first half and climbing to approximately 19% in the second quarter. We are thus right on track for achieving our profit target for the year of €4.1 billion before non-recurring effects.

I would like to mention in particular our domestic mail business, which has succeeded in maintaining revenue at last year's high level in a market that is now fully liberalised. In the area of logistics, we split responsibility for the freight forwarding business and contract logistics to reflect their different business models.

We are in the process of exploring the possibilities for the strategic development of Postbank. Open ended talks are being held with various potential partners, the primary goal being to find a good solution for the two companies, their shareholders, employees and customers.

As you see: we have set about dealing with our key strategic topics and are steadily resolving all issues.

Bonn, 30 July 2008

Yours faithfully,  
Dr Frank Appel  
Chairman of the Board of Management

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## Revenue and Earnings Development

### Consolidated revenue

Consolidated revenue and income from banking transactions rose by 3.4% compared with the first half of 2007 to €31,959 million (previous year: €30,909 million). Negative currency effects reduced revenue by €1,440 million. As a result of exchange rate movements, the proportion of revenue generated outside Germany also fell, from 60.5% to 59.1%.

### Consolidated revenue

€m

	2008		2007		H1
	Q1	Q2	Q1	Q2	
Germany	6,529	6,531	6,222	5,997	13,060
Abroad	9,219	9,680	9,251	9,439	18,899
					18,690

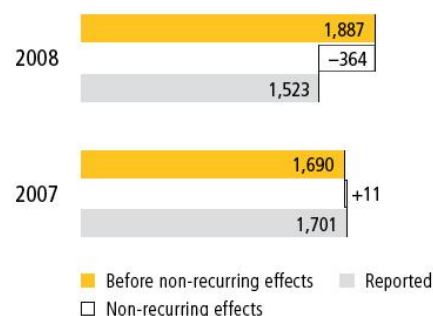
■ 2008 ■ 2007

### Earnings

Profit from operating activities (EBIT) amounted to €1,523 million, €178 million or 10.5% less than in the first half of 2007. The prior-year figure included the non-recurring income from the sale of Vfw AG (€59 million) and Postbank's one-time Expenses (€48 million); the figure for the reporting period included the restructuring costs for the US express business (€47 million) and Postbank's one-time expenses (€317 million) as described. Adjusted for these items, EBIT advanced by 11.7% to €1,887 million (previous year: €1,690 million) in the first half of the year and by an impressive 18.6% in the second quarter.

### Consolidated EBIT H1

€m



Further informationen can be found on our website:

- ▶ [Interim Report H1 2008](#)
- ▶ [Investors' conference call](#)

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## Outlook

### Business development expectations

Based on the half-year result and assuming that the global economy will not significantly worsen, the Group is maintaining its full-year guidance for 2008 and expects EBIT before non-recurring effects of around €4.1 billion. We anticipate a pre-tax profit of around €3.1 billion. The divisional profit forecast has been adjusted. It now takes into account the new FORWARDING/FREIGHT and SUPPLY CHAIN/CIS divisions and their composition. The forecast also contains minor adjustments regarding future business prospects. Our guidance for 2009 remains unchanged at EBIT before non-recurring effects of around €4.7 billion.

#### Profit forecast before non-recurring effects

€bn	2008	2009
<b>Profit from operating activities (EBIT)</b>		
MAIL	≈ 1.95	1.7 to 1.9
EXPRESS	≈ 0.4	0.75 to 0.95
FORWARDING/FREIGHT	≈ 0.5	0.55 to 0.6
SUPPLY CHAIN/CIS	≈ 0.5	0.5 to 0.55
FINANCIAL SERVICES	≈ 1.2	min. 1.3
Corporate Center/Other	≈ -0.5	≈ -0.45
<b>Group</b>	<b>≈ 4.1</b>	<b>≈ 4.7</b>
<b>Earnings before taxes (EBT)</b>	<b>≈ 3.1</b>	<b>≈ 3.8</b>
<b>Earnings per share (€)</b>	<b>1.65 to 1.69</b>	<b>2.05 to 2.15</b>
Based on number of shares (millions)	1,209	1,211

Further informationen can be found on our website:

- ▶ [Interim Report H1 2008](#)
- ▶ [Investors' conference call](#)
- ▶ [Restatements](#)
- ▶ [Dividend](#)

[▶ more](#)

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## Milestones

### in the 2nd quarter

#### 1 April 2008: Deutsche Post World Net sells real estate portfolio

The Group sells a portfolio of approximately 1,300 properties located mainly in Germany to US investor Lone Star for €1 billion in cash. The contract takes economic effect on 1 July 2008. The majority of the properties will be leased back.

[more](#)

#### 30 April 2008: Deutsche Post and Verdi reach wage agreement

During their collective-bargaining negotiations, Deutsche Post and the service trade union Verdi agree on an extended job security pact, a pay increase for workers covered by the collective-bargaining agreement and additional weekly working hours for about 130,000 company employees. The collective agreement will run until 30 June 2010.

[more](#)

#### 6 May 2008: Annual General Meeting approves dividend

The Annual General Meeting agrees to the proposal by the Board of Management and Supervisory Board and resolves to distribute a dividend for financial year 2007 of €0.90 per share. The total dividend amounted to €1,087 million. The dividend was disbursed on 7 May 2008.

[more](#)

**26 May 2008: DHL opens European air freight hub in Leipzig/Halle**

DHL launches operations of the European air freight hub at Leipzig/Halle airport with an opening celebration. The Group invested around €300 million in the facility where approximately 1,500 tonnes of freight are transhipped each working day.

[more](#)

**28 May 2008: Deutsche Post World Net restructures US express business**

The Supervisory Board and the Management Board of Deutsche Post World Net approve a plan to comprehensively restructure the US express business. Key measures include reducing costs in the ground infrastructure and finding an agreement with UPS on air transport.

[more](#)

**25 June 2008: Exploratory process on Postbank becomes increasingly concrete**

Deutsche Post World Net enters a more acute phase in the exploratory process on the future of its subsidiary Postbank. In light of this, the Supervisory Board of Deutsche Post AG accepts the request of Postbank Chief Executive Officer Dr Wolfgang Klein to step down temporarily from the Management Board of Deutsche Post with immediate effect.

[more](#)

After 30 June 2008

**1 July 2008: European court awards Deutsche Post a repayment of €1 billion**

The European Court of First Instance annuls a 2002 decision by the European Commission, which had ordered Deutsche Post to repay €907 million in purported state aid and interest. Deutsche Post will now receive a repayment of around €1 billion.

[more](#)

Further informationen can be found on our website:

[6 May 2008 - Annual General Meeting 2008](#)

[28 May 2008 - Investors conference call](#)

[Investor news](#)


[Ad hoc announcements](#)

[Notificationservice](#)

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**Roadmap to Value**

**Advances**

Advances		
1	<b>Profitability</b>	<ul style="list-style-type: none"> <li>Operating improvement initiatives on track.</li> </ul>
2	<b>Cash generation</b>	<ul style="list-style-type: none"> <li>Real estate disposals amount to €1.35 billion (versus €1 billion target).</li> <li>Working capital improvements on track.</li> </ul>
3	<b>Payout</b>	<ul style="list-style-type: none"> <li>Dividend of €0.90 per share for 2007 proposed, approved, and paid on 7 May 2008.</li> </ul>
4	<b>Transparency</b>	<ul style="list-style-type: none"> <li>New reporting structure for logistics business reflects management responsibility and different business models.</li> </ul>
5	<b>Organic growth</b>	<ul style="list-style-type: none"> <li>Strong growth of DHL in developing regions.</li> <li>Encouraging growth rates in business with customers served by Global Customer Solutions.</li> </ul>

Further information can be found on our website:

[Group strategy](#)  
[Group management](#)

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## Deutsche Post Shares

### Development in the first half

#### Economic worries and oil price unsettle investors

The performance of the stock markets in the second quarter of 2008 was heavily influenced by concerns over the economic outlook. The high oil price and fears that the economic slowdown in the United States will spill over into Asia and particularly Europe have stirred stock market activity. Although the DAX moved laterally in the second quarter, it has lost one fifth of its value since the start of the year. The EURO STOXX 50 fared much the same, recording a 7.6% decline in the second quarter and closing the first half of 2008 down 23.9%.

#### Deutsche Post shares adversely affected

In the second quarter it initially appeared our shares would be able to offset their poor performance at the end of the first quarter. After announcing our plan to restructure the US express business on 28 May 2008, however, the share price continued to fall - a development that was accelerated by profit warnings from our competitors. Our shares closed on 30 June 2008 at €16.60, a decrease of 29.4%. The average daily trading value in the first half-year increased slightly compared with the previous year to 7.4 million shares.

Further information can be found on our website:

[Shares information](#)  
[Key figures to our shares](#)  
[Shareholder structure](#)  
[Dividend](#)  
[Analysts recommendations](#)  
[Analysts estimates](#)

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## Events

### Financial calendar

11 November 2008	Interim report 9M 2008, Investors conference call
26 February 2008	Financials press conference and investors conference
10 March 2009	Annual Report 2008
21 April 2009	Annual General Meeting

### Private investor events

5-7 September 2008	IAM International Investors Fair (Düsseldorf)
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For more information on other events, updates and details of live webcasts please visit [our website](#).

Would you like to be notified of upcoming events by e-mail? If so, please [subscribe](#).

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