



Investor Relations Newsletter

Issue: 3/2008

Dear subscriber,

Attached to this e-mail, please find the third edition of our Investor Relations Newsletter which will inform you about Deutsche Post World Net's results for the first nine months of 2008.

Please do not reply to this e-mail! If you would like to contact the Investor Relations Team, please send an e-mail to ir@deutschepost.de.

Are your contact details up to date? Please use our online [▶ address form](#), to change your contact details.

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Kind regards,

Your
Investor Relations Team
Deutsche Post World Net

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Overview

What we have delivered in the first nine Months of 2008:

Although the economy remained fragile in the USA with the economic weakness spreading noticeably to all the economic regions of the world, we reported satisfactory performance with revenue (without Postbank) of €40.5 billion and EBIT before non-recurring effects (without Postbank) of €1.6 billion. By agreeing to sell Postbank and beginning the restructuring the US express business, we have been tackling important strategic issues.

What we intend to deliver by the end of 2008:

Given the current economic climate, in October we adjusted our 2008 underlying EBIT target from €2.9 billion (without Postbank) to approximately €2.4 billion (without Postbank). By withdrawing from the domestic express market in the USA we intend to reduce our losses there more quickly than originally planned. Through strict cost management we are preparing the Group for the economic challenges ahead.

Further information can be found on our website:

- ▶ [Interim report Q3 2008](#)
- ▶ [Investors' conference call](#)
- ▶ [Investor news](#)

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Letter to our Shareholders



Dear shareholders,

The past few weeks have been quite turbulent for the global economy. In light of the tumultuous developments on the capital markets it now appears that the possibility of a global recession in the near future cannot be ruled out. We are preparing for this and bracing your company for the global economic storm. We have already begun tackling key strategic issues.

For Postbank, we have found the perfect partner in Deutsche Bank, which will assume a minority interest of 29.75% in Deutsche Postbank AG in the first quarter of 2009. We see it as our obligation to support our subsidiary on its way to continued profitable growth, which is why in October we committed ourselves - as the majority shareholder - to participate with up to 100% in Postbank's planned capital increase.

Since May we have rigorously executed our restructuring plan for the express business in the USA. Nevertheless, the weak US economy and reduced shipment volumes are forcing us to take drastic measures. We will therefore exit the domestic express services market in the United States and concentrate on our core competence there, the international express business. This way we will be able to reduce our losses more quickly than originally planned.

In addition, we are also laying the foundation for sustainable and profitable growth in the Group through strict cost management. We have stepped up our Roadmap to Value programme with additional cost-cutting initiatives. Starting 2009, we aim to reduce our annual spending by €1 billion by the end of 2010 in order to prepare the Group for the challenging economic times that lie ahead.

All in all, we are satisfied with our nine-month results. Revenue from continued operations (without Postbank) increased by 2.3% to €40.5 billion and underlying EBIT rose 1.3% to €1.6 billion in the first nine months of 2008. Nonetheless, given the current economic climate, we have adjusted our 2008 forecast for profit before non-recurring effects to approximately €2.4 billion from €2.9 billion (without Postbank).

I am confident that the measures we are taking have laid the foundation necessary so that your company weathers even the strongest economic storm.

Bonn, 10 November 2008

Yours faithfully,

Dr Frank Appel

Chairman of the Board of Management

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Revenue and Earnings Development

in the first nine months 2008

Changes in reporting

In the third quarter, the Pension Service was reallocated from the FINANCIAL SERVICES Division to the mail business, as they share a regulatory environment that is almost the same. The remaining segment consists only of Postbank and is reported under "discontinued operations".

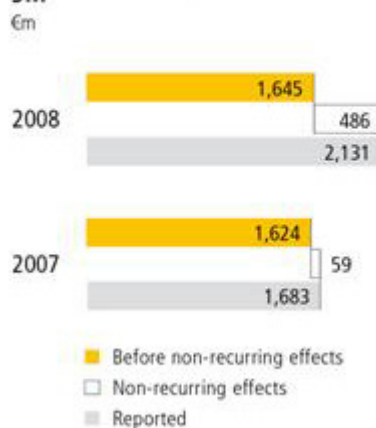
Consolidated revenue

Consolidated revenue from continuing operations grew by 2.3% in the first nine months of 2008 to €40,454 million (previous year: €39,545 million), but was reduced by negative currency effects in the amount of €1,971 million. Nevertheless, the proportion of revenue generated outside Germany increased, from 69.3% to 69.7%.

Earnings

Profit from operating activities (EBIT) from continuing operations increased by €448 million or 26.6% to total €2,131 million. The prior-year figure included the nonrecurring income from the sale of Vfw AG (€59 million); the figure for the current reporting period includes the proceeds from the state aid proceedings (€572 million) and the restructuring costs for the US express business (€86 million). Adjusted for these items, EBIT rose by €21 million or 1.3% in the first nine months; however, it declined by €40 million or 8.5% in the third quarter.

Consolidated EBIT for continuing operations 9M



Further information can be found on our website:

- ▶ [Interim Report Q3 2008](#)
- ▶ [Investors' conference call](#)

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Outlook

Outlook for fiscal 2008

In October, we adjusted our outlook based on the marked deterioration in the global economy in the third quarter and our expectation that it will remain difficult in the near future. The Group now expects underlying EBIT (without Postbank) for 2008 of €2.4 billion, some 10% below last year's result and 17% less than the previous guidance. The Group had previously forecast EBIT before non-recurring effects of around €2.9 billion (without Postbank).

Due to increasing restructuring costs of €3 billion for the express business in the USA, one-off charges between €400 million and €500 million in other businesses and possible write-downs in the SUPPLY CHAIN/CIS Division, the Group will probably see a full-year reported net loss for 2008.

Further information can be found on our website:

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Significant Events

in the Third Quarter 2008

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

On 1 July 2008 the European Court of First Instance annulled a 2002 decision by the European Commission, which had ordered Deutsche Post to repay €907 million in purported state aid and interest. As a result, on 1 August 2008 the German government repaid the sum of €1.067 billion to Deutsche Post AG. Of this figure, €572 million have been reported under the MAIL Division's profit from operating activities and €495 million under the Group's net finance costs/net financial income.

12 September 2008: Deutsche Post sells 29.75 per cent stake in Postbank to Deutsche Bank in growth-focused transaction

Deutsche Post has sold a minority stake of 29.75 per cent in Postbank to Deutsche Bank for €2.79 bn or €57.25 per share.

▶ [more](#)

After 30 September 2008

27 October 2008: Ad hoc: Deutsche Post World Net supports Postbank strategic initiative

The Supervisory Board of Deutsche Post AG has approved that Deutsche Post, as majority shareholder of Deutsche Postbank AG, will participate with up to 100% in the bank's planned capital increase.

▶ [more](#)

10 November 2008: Ad hoc: Deutsche Post World Net takes strong action to reduce U.S. Express loss, improve Group performance in light of economic downturn

Deutsche Post World Net will focus its express business in the U.S. on its core international competencies and exit the domestic air and ground express service in the country by the end of January.

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Further information can be found on our website:

▶ [Investor news](#)


▶ [Ad hoc announcements](#)

▶ [Notificationservice](#)

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Roadmap to Value

Advances



Advances		
1	Profitability	<ul style="list-style-type: none">Operating improvement initiatives make good progress.Enhanced cost reduction programme of €1 billion launched for 2009 and 2010.
2	Cash generation	<ul style="list-style-type: none">Real estate disposals amount to €1.35 billion (versus €1 billion target).Improvements to working capital on track.
3	Payout	<ul style="list-style-type: none">Dividend of €0.90 per share for 2007 proposed and approved and distributed on 7 May 2008.
4	Transparency	<ul style="list-style-type: none">Visibility of Group accounts will increase significantly as a result of the lower stake in Postbank.
5	Organic growth	<ul style="list-style-type: none">Strong growth of DHL in developing regions.Encouraging growth rates in business with customers served by Global Customer Solutions.

Further information can be found on our website:

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

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Deutsche Post Shares

Development in the Third Quarter 2008

Deutsche Post shares decline in line with the market

During the third quarter, the US financial market crisis reached new heights. The turmoil extended to Europe, with the DAX and the EURO STOXX 50 registering losses of 9.2% and 9.4%, respectively. Our shares also lost ground, decreasing 11% to close at €14.78 on 30 September 2008. Average daily trading volume rose to 7.4 million - an increase of 9% year-on-year.

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

26 February 2009	Financials press conference and investors' conference
10 March 2009	Annual Report 2008
21 April 2009	Annual General Meeting
22 April 2009	Dividend payment

Private investor events

15 November 2008	Exchange Convention in Cologne
29 November 2008	Exchange Convention in Frankfurt/Main
17 January 2009	Exchange Convention in Dresden

For more information on other events, updates and details of live webcasts please visit [▶ our website](#).

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