

Dear Shareholders,

It is my pleasure as new chairman of the Board of Management to present to you the results of our business. On 18 February 2008, the Supervisory Board accepted Dr Klaus Zumwinkel's resignation from office as chairman of the Board of Management and appointed me as his successor.

Klaus Zumwinkel achieved great things over the past eighteen years and we wish to thank him for his business achievements, his strong commitment and the passion with which he made Deutsche Post the world's leading logistics service provider.

The past year saw a number of changes on the Board of Management. John Allan succeeded Edgar Ernst as Chief Financial Officer, Wolfgang Klein took over the helm of Postbank from Wulf von Schimmelmann and Jürgen Gerdes assumed responsibility for the MAIL Division, which was previously headed by Hans-Dieter Petram. On behalf of the Board of Management, I wish to thank our former colleagues on the Board for their contribution to our business success.

The fact that we are right on course in all of the Group's divisions is reflected in the annual results. With EBIT before non-recurring effects of €3.76 billion, we met our earnings target and closed the year with a solid performance. Your company is well equipped to face the future. I will now join with my fellow Board members in building on this solid fundament as a strong team.

I am particularly gratified that Chief Financial Officer John Allan has agreed to extend his contract for another two years up to the end of 2010. For he embodies at once a commitment to continuity and the courage to innovate. Both are vital to carving out a clear path to the future.

Back in November, the Roadmap to Value ushered in a new phase in the company's evolution. Our goal is ambitious. We want to make your company the most attractive investment in the industry. We are seeking to generate a bigger profit, distribute a larger portion of it to you, our shareholders, and sustain our organic growth.

The generally favourable response from amongst your ranks and the pattern traced by the share price confirm that we are on the right track. Between 8 November, when we announced the programme, and the end of the year, our share price climbed by 16.10% to €23.51.

The second milestone was the First Choice programme. Alongside our employees, it is our customers who are at the fore as their loyalty is a prerequisite of our profitable organic growth. The First Choice initiative gives us a frame of reference for systematically meeting customers' needs and will, I am convinced, bring about a shift in our management and corporate culture.



Dr Frank Appel,
Chairman of the
Board of Management

In our business activities, we are facing four major challenges:

First: The German mail market was fully liberalised on 1 January 2008. The good thing is that since last year we have had a sound basis for dependable planning with regard to social standards and price structure up to the year 2011. A statutory minimum wage for mail carriers has been stipulated, postage rates have remained stable and, as the only provider of a nationwide universal service, we are exempt from value-added tax. Overall, this is a good basis for ensuring that quality and reliability decide the field in competition. As the undisputed quality leader, we are very well equipped to welcome other providers into the marketplace.

Second: The express business in the United States remains flawed. The improvements made at the start of 2007 were undone as the economy faltered at the year-end. We have already adopted measures to improve performance. However – and I say this in all openness – the situation as it stands is unacceptable. The problem needs to be resolved. I promise you we will very soon be initiating all steps necessary to achieving a rapid improvement in results.

Third: In our logistics business, we aim to grow faster than the industry. With the integration of DHL and Exel, we executed the largest project of its kind in the industry to date, rapidly and with resounding success. However our ambition does not stop there. When I look ahead, I see the image of an integrated logistics service provider. By intensifying our collaboration between divisions and throughout the Group, we intend to substantially speed up the process of integration, thereby boosting the company's growth and profitability.

And fourth: Our subsidiary Postbank needs clear prospects for future development. With its successful business strategy, Germany's leading retail bank has long been attracting covetous interest. In the coming months, I will be joined by my colleague on the Board of Management, Wolfgang Klein, in paving the way for Postbank to play an active part in the consolidation of the sector as a whole.

Dear shareholders, you followed the development of your company with interest in 2007. We want to give you a greater share in its success than ever before. The Board of Management and the Supervisory Board will be proposing a dividend of €0.90 per share at the Annual General Meeting. Marking a substantial 20% year-on-year rise, the proposed dividend represents a payout ratio of around 50% of our net profit before non-recurring effects.

On a personal note, I am delighted at the fascinating new challenge I am undertaking and wish to thank the Supervisory Board for their trust, my fellow Board members for their support and our 520,000 employees around the globe for their loyalty.

Those who know me also know that I embrace a culture of openness. Let us work together in a spirit of open, honest partnership. My pledge to you is that I will listen carefully, will at all times take your criticisms very seriously and will make clear-cut decisions.

We are aware of the challenges facing us in the coming years and we will overcome them. With our Roadmap to Value and First Choice initiative, we have embarked on a course that will help us become the most attractive investment in the industry and the preferred provider for customers throughout the world.

Bonn, 29 February 2008



Yours sincerely,

Dr Frank Appel

Chairman of the Board of Management