

# Deutsche Post Shares

## Further gains on stock markets

The growth of the German economy in 2007 prompted an upturn on the German stock market. Although negative repercussions from the Far East prompted some brief worries in February, the German DAX index regained impetus around mid-year and reached its 2007 high of 8,106 points on 16 July. Later in the summer, the sub-prime mortgage crisis in the United States brought the positive trend to a halt. Investors became less willing to purchase, which had a global impact on the major stock markets. The true effects of the crisis did not become apparent until towards the end of the year, however, by which time a short-lived recovery had occurred. Despite these influences, the DAX closed the year at 8,067 points. This represents an increase of 22.3% over the year. The EURO STOXX 50, on the other hand, grew by only 6.9%.

## Our share data

		2004	2005	2006	2007	+/- %
Year-end closing price	€	16.90	20.48	22.84	23.51	2.9
High	€	19.80	21.23	23.75	25.65	8.0
Low	€	14.92	16.48	18.55	19.95	7.5
Number of shares	millions	1,112.8	1,193.9	1,204.0 <sup>1)</sup>	1,207.5 <sup>1)</sup>	0.3
Market capitalisation	€m	18,840	24,425	27,461	28,388	3.4
Average trading volume per day	shares	2,412,703	3,757,876	5,287,529	6,907,270	30.6
Annual performance with dividend	%	6.4	24.1	14.9	6.9	
Annual performance excluding dividend	%	3.4	21.2	11.5	2.9	
Beta factor <sup>2)</sup>		0.84	0.75	0.80	0.68	
Earnings per share <sup>3)</sup>	€	1.44	1.99	1.60	1.15	-28.1
Cash flow per share <sup>4)</sup>	€	2.10	3.23	3.28	4.27	30.2
Price/earnings ratio <sup>5)</sup>		11.7	10.3	14.3	20.4	
Price/cash flow ratio <sup>4),6)</sup>		8.1	6.4	7.0	5.5	
Dividend	€m	556	836	903	1,087 <sup>7)</sup>	20.4
Payout ratio	%	34.8	37.4	47.1	78.2	
Dividend per share	€	0.50	0.70	0.75	0.90 <sup>7)</sup>	20.0
Dividend yield	%	3.0	3.4	3.3	3.8	

1) Increase due to exercise of stock options, see Note 35.

2) From 2006: Beta 3 years; source: Bloomberg.

3) Based on consolidated net profit excluding minorities, see Note 21.

4) Cash flow from operating activities.

5) Year-end closing price/earnings per share.

6) Year-end closing price/cash flow per share.

7) Proposal.

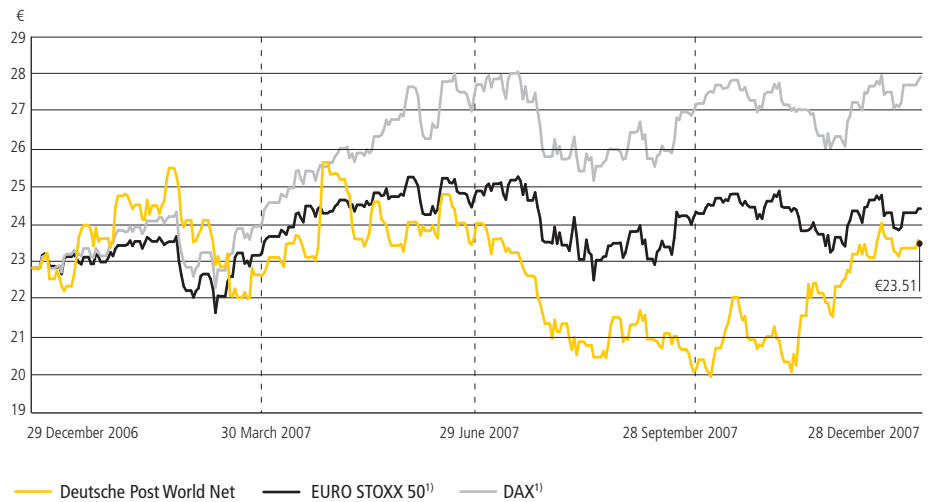
## Share price benefits from capital markets programme

At the beginning of the year, our share price initially made favourable progress before mirroring the negative performance of the DAX. In the second quarter, it continued to track the leading German share price index as it rose. The price peaked at €25.65 on 27 April. Thereafter, the share price followed the negative market pattern, reaching its low of €19.95 on 3 October. The upward trend then resumed, fuelled in particular by

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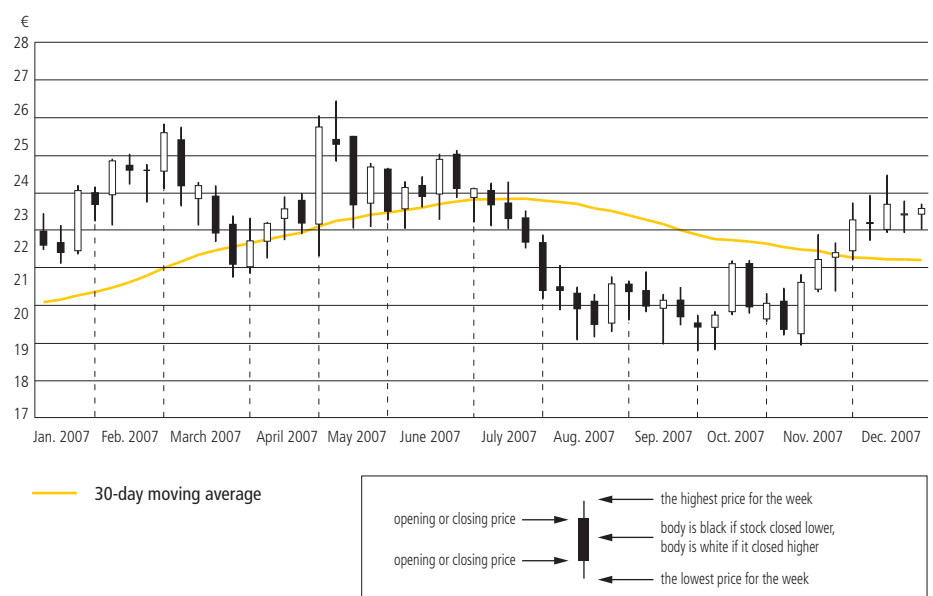
the launch of our ❗ capital markets programme, Roadmap to Value, on 8 November 2007. In the course of the year, the share price thus gained ground on both the DAX and our competitors' stock. It closed the year at €23.51, representing a gain of 2.9%. The average number of shares traded on market days was 6,907,270, or 30.6% more than in 2006. Our shareholders reaped the rewards of the higher liquidity.

**Share price performance**



1) Rebased on the closing price of Deutsche Post shares on 29 December 2006.

**Candlestick graph/30-day moving average**



**Peer group comparison<sup>1)</sup>**

		2006	2007	+/- %
Deutsche Post	EUR	22.84	23.51	2.9
TNT	EUR	32.58	28.25	-13.3
FedEx	USD	108.62	89.17	-17.9
UPS	USD	74.98	70.72	-5.7
Kühne + Nagel	CHF	88.65	108.50	22.4

1) Closing prices on the last trading day.

**Growing shareholder base in the United States**

The regional distribution of our shareholders changed again in the course of the year. The number of shares held in the USA increased by five percentage points, whilst the percentage attributable to German shareholders fell. The interest of our largest individual shareholder, KfW Bankengruppe, remained constant, representing 30.5% of the share capital.

**Buy recommendations of analysts prevail**

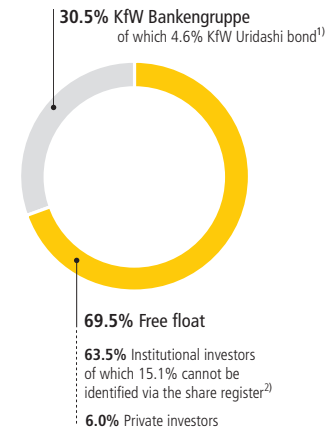
At the end of the year, 22 analysts advised investors to buy, seven to hold and only two to sell our shares.

**Communications focus**

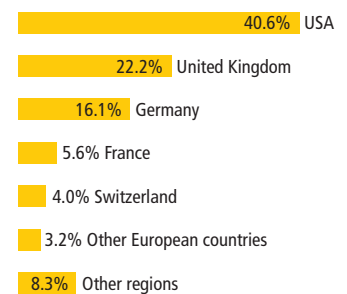
Of particular interest to investors were the liberalisation of the German mail market on 1 January 2008 and its effects on our company, as well as the situation of the express business in the USA. In the spring, we conducted an extensive survey amongst investors. We wished to establish how they perceive our company and what they want and expect from us in the future. Their responses formed the basis of a catalogue of measures, which we presented in November together with the capital markets programme, Roadmap to Value. By way of the envisaged action, we are seeking to make the company more attractive to investors.

**Shareholder structure**

31 December 2007



- 1) In 2005 KfW issued a convertible bond in Japan for private investors (volume: 55.6 million shares). Investors can convert this bond until January 2010.  
2) Some institutional investors are not entered directly in the share register but listed via a depository bank.

**Regional distribution of identified institutional investors<sup>1)</sup>**

1) The chart refers to institutional investors named in the share register. Their share of the free float was 50.9% on the reporting date.

Source: Thomson Financial  
As at December 2007