

Condensed Consolidated Interim Financial Statements

Income Statement

1 January to 30 June

€m	H1		Q2	
	2007 restated ¹⁾	2008	2007 restated ¹⁾	2008
Revenue and income from banking transactions	30,909	31,959	15,436	16,211
Other operating income	881	957	410	478
Total operating income	31,790	32,916	15,846	16,689
Materials expense and expenses from banking transactions	-17,534	-18,876	-8,841	-9,685
Staff costs	-9,395	-9,221	-4,715	-4,638
Depreciation, amortisation and impairment losses	-855	-792	-435	-399
Other operating expenses	-2,305	-2,504	-1,152	-1,295
Total operating expenses	-30,089	-31,393	-15,143	-16,017
Profit from operating activities (EBIT)	1,701	1,523	703	672
Net income from associates	0	2	0	0
Other financial income	61	58	24	33
Other finance costs	-559	-594	-260	-304
Net other finance costs	-498	-536	-236	-271
Net finance costs	-498	-534	-236	-271
Profit before income taxes	1,203	989	467	401
Income tax expense	-243	-183	-96	-75
Consolidated net profit for the period	960	806	371	326
attributable to				
Deutsche Post AG shareholders	784	661	285	254
Minorities	176	145	86	72
	€	€	€	€
Basic earnings per share	0.65	0.55	0.24	0.21
Diluted earnings per share	0.65	0.55	0.24	0.21

1) See Note 1.

Balance Sheet

as at 30 June 2008

€m	31 Dec. 2007	30 June 2008
ASSETS		
Intangible assets	14,226	13,965
Property, plant and equipment	8,754	7,645
Investment property	187	101
Investments in associates	203	189
Other non-current financial assets	857	695
Non-current financial assets	1,060	884
Other non-current assets	497	512
Deferred tax assets	1,020	1,304
Non-current assets	25,744	24,411
Inventories	248	283
Income tax assets	312	405
Receivables and other assets	9,806	10,170
Receivables and other securities from financial services	193,986	221,950
Financial instruments	72	73
Cash and cash equivalents	4,683	2,131
Non-current assets held for sale	615	1,130
Current assets	209,722	236,142
Total assets	235,466	260,553
EQUITY AND LIABILITIES		
Issued capital	1,207	1,209
Other reserves	875	87
Retained earnings	8,976	8,550
Equity attributable to Deutsche Post AG shareholders	11,058	9,846
Minority interest	2,801	2,237
Equity	13,859	12,083
Provisions for pensions and other employee benefits	5,989	5,918
Deferred tax liabilities	1,569	1,514
Other non-current provisions	3,015	2,804
Non-current provisions	10,573	10,236
Non-current financial liabilities	8,625	8,435
Other non-current liabilities	361	374
Non-current liabilities	8,986	8,809
Non-current provisions and liabilities	19,559	19,045
Income tax provisions	334	392
Other current provisions	1,703	1,682
Current provisions	2,037	2,074
Current financial liabilities	1,556	2,209
Trade payables	5,384	4,972
Liabilities from financial services	187,787	214,696
Income tax liabilities	139	98
Other current liabilities	5,101	5,351
Liabilities associated with non-current assets held for sale	44	25
Current liabilities	200,011	227,351
Current provisions and liabilities	202,048	229,425
Total equity and liabilities	235,466	260,553

Cash Flow Statement

1 January to 30 June

€m	H1		Q2	
	2007 restated ¹⁾	2008	2007 restated ¹⁾	2008
Net profit before taxes	1,203	989	467	401
Net finance costs	498	534	236	271
Profit from operating activities (EBIT)	1,701	1,523	703	672
Depreciation/amortisation of non-current assets	855	792	435	399
Net income from disposal of non-current assets	-94	-69	-18	-14
Non-cash income and expense	237	225	119	139
Change in provisions	-154	-608	-110	-386
Change in other assets and liabilities	-101	-28	-56	-26
Taxes paid	-180	-284	-65	-230
Net cash from operating activities before changes in working capital	2,264	1,551	1,008	554
Changes in working capital				
Inventories	21	-41	5	-31
Receivables and other assets	-728	-701	-169	-128
Receivables/liabilities from financial services	417	-2,611	-284	-1,166
Liabilities and other items	-85	-227	190	211
Net cash from/used in operating activities	1,889	-2,029	750	-560
Proceeds from disposal of non-current assets				
Divestitures	52	0	2	0
Other non-current assets	305	1,290	187	424
	357	1,290	189	424
Cash paid to acquire non-current assets				
Investments in companies	-306	-420	-152	-327
Other non-current assets	-830	-825	-435	-453
	-1,136	-1,245	-587	-780
Interest received	52	36	-46	21
Current financial instruments	1	5	11	16
Net cash used in/from investing activities	-726	86	-433	-319
Change in financial liabilities	791	784	951	645
Other financing activities	4	68	4	27
Dividend paid to Deutsche Post AG shareholders	-903	-1,087	-903	-1,087
Dividend paid to other shareholders	-108	-136	-106	-131
Issuance of shares under stock option plan	30	18	9	8
Interest paid	-172	-222	20	-96
Net cash used in financing activities	-358	-575	-25	-634
Net change in cash and cash equivalents	805	-2,518	292	-1,513
Effect of changes in exchange rates on cash and cash equivalents	-3	-36	2	1
Changes in cash and cash equivalents associated with non-current assets held for sale	-22	0	-22	0
Changes in cash and cash equivalents due to changes in consolidated group	24	2	0	2
Cash and cash equivalents at beginning of reporting period	2,391	4,683	2,923	3,641
Cash and cash equivalents at end of reporting period	3,195	2,131	3,195	2,131

1) Prior-year figures restated, see Note 1 and 2007 Annual Report, Note 47.

Statement of Changes in Equity

1 January to 30 June

€m	Other reserves					Retained earnings	Equity attributable to Deutsche Post AG shareholders	Minority interest	Total equity
	Issued capital	Capital reserves	IAS 39 reserves	Revaluation reserve	Currency translation reserve				
Balance at 1 January 2007	1,202	2,037	-58	0	-451	8,490	11,220	2,732	13,952
Capital transactions with owner									
Capital contribution from retained earnings							0		0
Dividend						-903	-903	-139	-1,042
Stock option plans (exercise)	3	27					30		30
Stock option plans (issuance)		7					7		7
							-866	-139	-1,005
Other changes in equity not recognised in income									
Currency translation differences					-63		-63	-3	-66
Other changes			-93			17	-76	-95	-171
							-139	-98	-237
Changes in equity recognised in income									
Consolidated net profit						784	784	176	960
Total changes in equity recognised in income and not recognised in income							645	78	723
Balance at 30 June 2007	1,205	2,071	-151	0	-514	8,388	10,999	2,671	13,670
Balance at 1 January 2008	1,207	2,119	-347	0	-897	8,976	11,058	2,801	13,859
Capital transactions with owner									
Capital contribution from retained earnings							0		0
Dividend						-1,087	-1,087	-152	-1,239
Stock option plans (exercise)	2	16					18		18
Stock option plans (issuance)		4					4		4
							-1,065	-152	-1,217
Other changes in equity not recognised in income									
Currency translation differences					-282		-282	-23	-305
Other changes			-534	8			-526	-534	-1,060
							-808	-557	-1,365
Changes in equity recognised in income									
Consolidated net profit						661	661	145	806
Total changes in equity recognised in income and not recognised in income							-147	-412	-559
Balance at 30 June 2008	1,209	2,139	-881	8	-1,179	8,550	9,846	2,237	12,083

Segment Reporting

1 January to 30 June

Segments by division

€m	MAIL ¹⁾		EXPRESS ¹⁾		FORWARDING/ FREIGHT ¹⁾		SUPPLY CHAIN/ CIS ¹⁾		FINANCIAL SERVICES		Corporate Center/ Other ¹⁾		Group	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	External revenue	6,802	6,834	6,526	6,619	5,849	6,386	6,913	6,615	4,815	5,500	4	5	30,909
Internal revenue	250	217	228	261	397	381	84	87	270	262	-1,229	-1,208	0	0
Total revenue	7,052	7,051	6,754	6,880	6,246	6,767	6,997	6,702	5,085	5,762	-1,225	-1,203	30,909	31,959
Profit or loss from operating activities (EBIT)	958	910	96	52	151	194	274	224	493	375	-271	-232	1,701	1,523
Net income from associates	0	0	0	2	0	0	0	0	0	0	0	0	0	2
Segment assets ²⁾	4,811	3,999	9,160	9,107	7,078	7,018	8,779	8,235	197,448	224,930	302	1,753	227,578	255,042
Investments in associates ²⁾	22	22	174	160	6	6	0	0	0	0	1	1	203	189
Segment liabilities including non-interest-bearing provisions ²⁾	2,347	2,587	3,520	2,449	2,344	2,457	3,115	2,940	188,681	215,163	-557	595	199,450	226,191
Segment investments	118	130	506	440	52	130	457	274	47	43	32	55	1,212	1,072
Depreciation, amortisation and write-downs	211	173	215	221	46	47	173	163	79	70	131	118	855	792
Other non-cash expenses	86	37	32	68	22	11	70	44	269	247	35	60	514	467
Employees ³⁾	148,730	145,894	108,655	112,901	39,651	41,290	134,110	138,845	23,369	23,028	15,608	15,436	470,123	477,394

Segments by region

€m	Germany		Europe excluding Germany		Americas		Asia Pacific		Other regions		Group	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	External revenue	12,219	13,060	9,935	9,895	5,385	5,153	2,788	2,960	582	891	30,909
Segment assets ²⁾	182,722	209,632	28,449	28,790	11,581	11,594	4,309	4,422	517	604	227,578	255,042
Segment investments	275	315	515	333	254	182	135	203	33	39	1,212	1,072

Q2

Segments by division

€m	MAIL ¹⁾		EXPRESS ¹⁾		FORWARDING/ FREIGHT ¹⁾		SUPPLY CHAIN/ CIS ¹⁾		FINANCIAL SERVICES		Corporate Center/ Other ¹⁾		Group	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	External revenue	3,244	3,315	3,305	3,389	2,953	3,330	3,467	3,311	2,465	2,864	2	2	15,436
Internal revenue	122	106	116	124	205	187	44	44	136	132	-623	-593	0	0
Total revenue	3,366	3,421	3,421	3,513	3,158	3,517	3,511	3,355	2,601	2,996	-621	-591	15,436	16,211
Profit or loss from operating activities (EBIT)	315	321	65	31	80	109	127	126	250	185	-134	-100	703	672
Net income from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Segment investments	74	101	299	213	30	90	91	126	21	26	31	51	546	607
Depreciation, amortisation and write-downs	110	86	107	117	22	24	93	82	38	35	65	55	435	399
Other non-cash expenses	47	18	23	34	10	4	23	22	136	130	27	20	266	228

Segments by region

€m	Germany		Europe excluding Germany		Americas		Asia Pacific		Other regions		Group	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	External revenue	5,997	6,531	4,994	4,899	2,661	2,656	1,464	1,537	320	588	15,436
Segment investments	159	218	109	134	165	114	104	115	9	26	546	607

1) Prior-year figures restated, see Note 9.

2) As at 31 December 2007 and 30 June 2008.

3) Average FTEs.

Selected Explanatory Notes

1 Basis of accounting

The accompanying condensed consolidated interim financial statements as of 30 June 2008 were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board (IASB) for interim financial reporting, as adopted by the European Union. These interim financial statements thus include all information and disclosures required by IFRSs to be presented in condensed interim financial statements.

Preparation of the condensed consolidated interim financial statements for interim financial reporting in accordance with IAS 34 requires the Board of Management to exercise judgement and make estimates and assumptions that affect the application of accounting policies in the Group and the presentation of assets, liabilities, income and expenses. Actual amounts may differ from these estimates. The results obtained thus far in financial year 2008 are not necessarily an indication of the further development of the course of business.

The accounting policies applied to the condensed consolidated interim financial statements are generally based on the same accounting policies used in the consolidated financial statements for financial year 2007. For further information on the accounting policies applied, please refer to the **i** consolidated financial statements for the period ended 31 December 2007 on which these interim financial statements are based.

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In accordance with IAS 1.35, the effects of foreign currency hedging are reported under net finance costs on a net basis, as this better reflects the economic substance of the transactions. The cash flow statement shows “other financing activities”. This caption primarily includes the cash flows from foreign currency derivatives. The prior-year figures were restated accordingly.

The accompanying condensed consolidated interim financial statements have been reviewed.

2 Consolidated group

In addition to Deutsche Post AG as the Group parent, the consolidated group generally includes all German and foreign entities in which Deutsche Post AG directly or indirectly holds a majority of voting rights, or whose activities it is otherwise able to control.

Consolidated group

	31 Dec. 2007	30 June 2008
Number of fully consolidated companies (subsidiaries)		
German	113	113
Foreign	857	855
Number of proportionately consolidated joint ventures		
German	1	1
Foreign	12	12
Number of companies accounted for at equity (associates)		
German	3	3
Foreign	18	17

In the second quarter of 2008, Deutsche Post Beteiligungen Holding GmbH, Germany, increased its stake in Williams Lea Holdings plc, UK, from 66% to 96% for a purchase price of €220 million. The financial liability for the remaining outstanding shares fell to €29 million.

In April 2008, DHL Exel Supply Chain Hong Kong acquired from Sinotrans Air Transportation Development, China, the remaining 50% of the shares in their joint venture, Exel-Sinotrans Freight Forwarding Co. Ltd., China, for €61 million and has since been the sole owner. The company was previously accounted for in the consolidated financial statements as a proportionately consolidated joint venture. Goodwill of €31 million arose on its full consolidation. The purchased remaining 50% of the shares of the company contributed €28 million to consolidated revenue. The company has significant service relationships with the Group. The purchase price allocation is as follows:

Measurement of goodwill

€m	1 April 2008
Cost of the investment (second tranche)	61
Less proportionate net assets measured at fair value	-30
Goodwill	31

Net assets

€m	Carrying amount	Adjustments ¹⁾	Fair value
Intangible assets	33	24	57
of which customer list	32	24	56
Property, plant and equipment	6	0	6
Current assets and cash and cash equivalents	94	0	94
Current liabilities	-81	0	-81
Deferred taxes	-10	-7	-17
Total net assets (100%)	42	17	59
Proportionate net assets acquired	21	9	30

1) Adjustments to customer relationships of €12 million and adjustments to deferred taxes of €4 million relate to the 50% interest held previously. These amounts were recognised in the revaluation reserve.

On 31 December 2007, FC (Flying Cargo) International Transportation Ltd., Israel, was acquired for €74 million. Provisional goodwill amounts to €73 million. In the first quarter of 2008, the former shareholders were paid the equivalent of €65 million, of which €45 million related to the first tranche of the purchase price payment

and €20 million to the repayment of loans from former shareholders. The purchase price allocation will be presented in the third quarter of 2008, as not all the necessary information is available at the present time.

In February 2008, Deutsche Post Beteiligungen Holding GmbH, Germany, formed Express Couriers Australia Pty Ltd., Australia, with a view to entering into a 50/50 joint venture with New Zealand Post, New Zealand. By 30 June, the joint venture had taken over business units from DHL Global Forwarding Australia. At the same time, New Zealand Post acquired a 50% interest in the company.

During the first half of 2008, the Group also made further acquisitions which neither individually nor in the aggregate had a significant effect on the Group's net assets, financial position and results of operations.

Insignificant acquisitions

€m	Amounts at the date of acquisition
ASSETS	
Property, plant and equipment	5
Non-current financial assets	2
Current assets excluding cash and cash equivalents	35
Cash and cash equivalents	15
	57
EQUITY AND LIABILITIES	
Provisions	-1
Trade payables	-23
Other liabilities	-6
	-30
Acquisition costs	49

In the first half of 2008, €392 million was spent on acquiring subsidiaries, less the cash and cash equivalents acquired (30 June 2007: €238 million). The purchase prices of the acquired companies were paid by transferring cash and cash equivalents.

3 Significant transactions

On 28 May 2008, the Supervisory Board and Board of Management of Deutsche Post World Net approved an extensive restructuring programme for the DHL express business in the USA. Key elements include a reduction in ground infrastructure costs and a planned collaboration with United Parcel Service (UPS) on air transportation. The companies plan to enter into an agreement under which responsibility for transporting the domestic and international products of DHL Express by air within North America will be transferred to UPS. In addition, DHL's infrastructure will be adapted to match actual shipment volumes. Restructuring costs associated with the planned termination of the collaboration arrangement with air transportation partners ABX Air and ASTAR Air Cargo and other one-time expenses are expected to amount to US\$2 billion. By the end of the reporting period, expenses of €47 million had been recognised, of which €32 million relate to additions to provisions.

In addition, impairment losses of €22 million were recognised on the non-current assets of the EXPRESS Americas cash-generating unit in the first half of 2008.

Impairment losses were recognised on real estate (€28 million) and IT equipment (€14 million) reported as non-current assets held for sale. The write-downs are reported under other operating expenses, as the real estate and IT equipment are carried as current assets.

4 Share-based remuneration

The number of stock options and stock appreciation rights (SARs) under the 2003 Stock Option Plan changed as follows:

Stock options

Number	SOP 2003		
	Tranche 2003	Tranche 2004	Tranche 2005
Outstanding options at 1 January 2008	1,197,538	3,170,940	8,816,004
Outstanding SARs at 1 January 2008	117,124	267,980	695,076
Options lapsed	1,500	9,376	191,208
SARs lapsed	0	0	13,032
Options exercised	883,714	394,552	0
SARs exercised	75,630	18,752	0
Outstanding options at 30 June 2008	312,324	2,767,012	8,624,796
Outstanding SARs at 30 June 2008	41,494	249,228	682,044

As at 30 June 2008, provisions for the 2006 SAR Plan and the 2006 Long-Term Incentive Plan (2006 LTIP for the Board of Management) amounted to €21 million (31 December 2007: €41 million). The issued capital increased from €1,207 million to €1,209 million following the servicing of the stock options from the 2003 and 2004 tranches. It is now composed of 1,208,748,864 no-par value registered shares.

5 Earnings per share

Basic earnings per share for the first half of 2008 were €0.55.

Basic earnings per share

	H1	
	2007	2008
Consolidated net profit for the period attributable to Deutsche Post AG shareholders (€m)	784	661
Weighted average number of shares outstanding	1,203,995,035	1,208,220,011
Basic earnings per share (€)	0.65	0.55

Diluted earnings per share for the first half of 2008 were €0.55. There were 11,704,132 stock options for executives at the reporting date, 1,231,113 of which were dilutive.

Diluted earnings per share

	H1	
	2007	2008
Consolidated net profit for the period attributable to Deutsche Post AG shareholders (€m)	784	661
Weighted average number of shares outstanding	1,203,995,035	1,208,220,011
Potentially dilutive shares	3,807,417	1,231,113
Weighted average number of shares for diluted earnings	1,207,802,452	1,209,451,124
Diluted earnings per share (€)	0.65	0.55

6 Related party disclosures

There have been no material changes in related party disclosures as against 31 December 2007; see Note 52 in the 2007 Annual Report. Seven new members joined the Supervisory Board in the course of the period. No transactions took place between them and Deutsche Post AG.

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7 Contingent liabilities

The Group's contingent liabilities have not changed significantly compared with 31 December 2007. The Deutsche Postbank Group had irrevocable loan commitments amounting to €22,731 million (31 December 2007: €23,480 million).

8 Other operating income and expenses

Other operating income

€m	H1	
	2007	2008
Income from the reversal of provisions	32	149
Income from currency translation differences	88	134
Insurance income	86	85
Income from work performed and capitalised	43	69
Gains on disposal of non-current assets	61	65
Income from the derecognition of liabilities	29	65
Rental and lease income	43	57
Commission income	9	54
Reversals of impairment losses on receivables and other assets	30	38
Income from fees and reimbursements	34	37
Income from prior-period billings	36	30
Income from derivatives	2	22
Income from loss compensation	15	11
Subsidies	7	4
Recoveries on receivables previously written off	10	4
Income from the sale of Vfw AG, Germany	59	0
Net income from investment securities (Deutsche Postbank Group)	110	-79
Miscellaneous	187	212
Other operating income	881	957

In June 2008, the provision for the funding of shortfalls in the Postal Civil Service Health Insurance Fund was reversed in the amount of €61 million. The increase in income from currency translation differences corresponds to the expenses from currency translation differences and is due to the fall in exchange rates for major foreign currencies. The decline in net income from investment securities at Deutsche Postbank Group is attributable to write-downs of structured finance securities carried out and recognised in connection with the subprime crisis.

Miscellaneous other operating income includes a number of smaller individual items.

Other operating expenses

€m	H1	
	2007	2008
Public relations expenses	270	275
Travel and training costs	250	246
Other business taxes	176	198
Warranty expenses, refunds and compensation payments	183	175
Consulting costs	154	165
Allowance for losses on loans and advances from financial services (Deutsche Postbank Group)	176	161
Cost of purchased cleaning, transportation and security services	151	151
Write-downs of current assets	115	147
Telecommunication costs	164	146
Expenses from currency translation differences	91	134
Office supplies	127	117
Entertainment and corporate hospitality expenses	85	88
Commissions paid	28	77
Insurance costs	73	63
Voluntary social benefits	64	60
Legal costs	35	55
Services provided by the Federal Posts and Telecommunications Agency	38	37
Prior-period other operating expenses	20	29
Expenses from derivatives	1	28
Losses on disposal of assets	21	26
Audit costs	24	25
Monetary transaction costs	16	18
Donations	16	17
Tax advisory costs	6	7
Addition to provisions	4	5
Miscellaneous	17	54
Other operating expenses	2,305	2,504

Miscellaneous other operating expenses include a number of smaller individual items.

9 Segment reporting disclosures

As announced in November 2007 as part of the Roadmap to Value capital markets programme, segment reporting was restructured with effect from 1 January 2008. The costs of Global Business Services were allocated in full to the operating divisions. Deutsche Post AG's retail outlets were transferred to the MAIL segment. As the services area did not retain any significant opportunities and risks, it was no longer a segment within the meaning of IAS 14. The SERVICES segment was therefore dissolved. The remaining items of this segment and the entire Corporate Center are now reported in the Corporate Center/Other column. The Corporate Center/Other column also includes the consolidation of intersegment transactions.

In addition, the LOGISTICS Division was restructured and allocated between two board departments in March 2008. The new structure is reflected in the segment reporting. The LOGISTICS Division was dissolved and replaced by two new segments:

Segment	FORWARDING/FREIGHT	SUPPLY CHAIN /CIS
Business unit	DHL Global Forwarding DHL Freight	DHL Exel Supply Chain Corporate Information Solutions ¹⁾

¹⁾ The Corporate Information Solutions Business Unit was previously allocated to the MAIL segment.

Due to the new reporting structure, the goodwill attributable to the former LOGISTICS segment was allocated to the new logistics segments. Goodwill amounts to €263 million for the FORWARDING/FREIGHT segment and to €198 million for the SUPPLY CHAIN/CIS segment.

The new reporting structure reflects the increasing business volume and the different business models. The prior-year figures were restated accordingly.

10 Non-current assets held for sale and liabilities associated with non-current assets held for sale

The amounts reported as non-current assets held for sale and liabilities associated with non-current assets held for sale in accordance with IFRS 5 relate to the following items:

€m	Assets		Liabilities	
	31 Dec. 2007	30 June 2008	31 Dec. 2007	30 June 2008
Deutsche Post AG – real estate	18	978	0	0
DHL Information Services (Europe) s.r.o., Czech Republic – IT equipment	0	101	0	25
DHL Information Services (Americas), Inc., USA – IT equipment	0	39	0	0
Asia-Pacific Information Services Snd Bh, Malaysia – IT equipment	0	7	0	0
DHL Express (France) SAS – land/buildings	26	4	0	0
Deutsche Post IT Services GmbH, Germany – IT equipment	0	1	0	0
Deutsche Postbank Group – credit card and sales financing business (BHW Bank AG)	565	0	44	0
Other	6	0	0	0
Non-current assets held for sale and liabilities associated with non-current assets held for sale	615	1,130	44	25

Around €962 million relates to the sale of Deutsche Post AG real estate to US investor Lone Star, as announced in November 2007. The portfolio comprises around 1,300 properties located mainly in Germany. An initial payment of €250 million was made towards the purchase price in June 2008. The remainder of the purchase price is expected to be paid by the end of 2008. Under the terms of the agreement, the contract will take economic effect on 1 July 2008. Deutsche Post World Net will lease back the majority of the properties.

In January 2008, Deutsche Post World Net and Hewlett-Packard Services (HP) had signed a letter of intent to transfer responsibility for some of Deutsche Post World Net's global IT operations to HP Services. This covered IT operations in Prague (Czech Republic), Scottsdale (Arizona, USA), Cyberjaya (Malaysia) and a number of European countries. As at 30 June 2008, IT equipment amounting to €148 million was reported as non-current assets held for sale.

The Deutsche Postbank Group's sale of the credit card and sales financing business of BHW Bank AG was completed in the first quarter of 2008. The acquirer was Landesbank Berlin.

11 Other disclosures/Events after the balance sheet date

On 1 July 2008, the European Court of First Instance in Luxembourg annulled the European Commission's state aid ruling of 2002. At the time, the Commission had ordered Deutsche Post AG to repay purported state aid and interest amounting to €907 million to the Federal Republic of Germany. The Commission had ruled that, between 1994 and 1998, Deutsche Post AG misused state aid intended to finance the universal service as a cross-subsidy to cover its costs in the competitive market segment where it carries parcels for business customers. Deutsche Post AG appealed against the ruling in the same year. The German federal government is expected to repay the approximately €1 billion to Deutsche Post AG in the near future. The European Commission has two months within which to appeal to the European Court of Justice.

At the end of July, the Board of Management of Deutsche Post AG announced that efforts to outsource the IT infrastructure to HP would cease.

In addition, the Australian joint venture Express Couriers Australia Pty Ltd. (ECA) took over activities from New Zealand Post, New Zealand, with effect from 1 July.

12 Additional information: Consolidated interim financial statements including the Deutsche Postbank Group at equity

In addition to the consolidated interim financial statements in which the Deutsche Postbank Group is fully consolidated, consolidated interim financial statements have been prepared with the Deutsche Postbank Group included at equity, as the activities of the Deutsche Postbank Group differ substantially from the ordinary activities of the other companies in Deutsche Post World Net. The Deutsche Postbank Group was excluded from full consolidation in the accompanying consolidated interim financial statements for the period ended 30 June 2008. The Deutsche Postbank Group is accounted for in these financial statements only as a financial investment carried at equity.

The accounting treatment in these additional financial statements differs from the standards required by the IFRSs to the extent that the Deutsche Postbank Group was not fully consolidated, as required by IAS 27, but was accounted for at equity.

12.1 Additional information: Income statement (Postbank at equity)

1 January to 30 June

€m	H1		Q2	
	2007 restated ¹⁾	2008	2007 restated ¹⁾	2008
Revenue	26,287	26,653	13,066	13,444
Other operating income	816	1,037	395	556
Total operating income	27,103	27,690	13,461	14,000
Materials expense	-14,570	-15,230	-7,333	-7,794
Staff costs	-8,727	-8,571	-4,391	-4,312
Depreciation, amortisation and impairment losses	-777	-722	-398	-363
Other operating expenses	-1,815	-1,998	-883	-1,034
Total operating expenses	-25,889	-26,521	-13,005	-13,503
Profit from operating activities (EBIT)	1,214	1,169	456	497
Net income from associates	0	2	0	0
Net income from measurement of Deutsche Postbank Group at equity	148	118	76	60
Other financial income	58	49	21	24
Other finance costs	-525	-567	-244	-290
Net other finance costs	-467	-518	-223	-266
Net finance costs	-319	-398	-147	-206
Profit before income taxes	895	771	309	291
Income tax expense	-83	-82	-14	-24
Consolidated net profit for the period	812	689	295	267
attributable to				
Deutsche Post AG shareholders	784	661	285	254
Minorities	28	28	10	13

1) Prior-year figures restated in accordance with the consolidated financial statements.

12.2 Additional information: Balance sheet (Postbank at equity)

as at 30 June

€m	31 Dec. 2007	30 June 2008
ASSETS		
Intangible assets	12,792	12,538
Property, plant and equipment	7,826	6,736
Investment property	115	28
Investments in associates	203	189
Investments in Deutsche Postbank Group	1,662	1,141
Other non-current financial assets	754	595
Non-current financial assets	2,619	1,925
Other non-current assets	497	512
Deferred tax assets	537	565
Non-current assets	24,386	22,304
Inventories	248	283
Income tax assets	195	228
Receivables and other assets	9,377	9,562
Financial instruments	74	74
Cash and cash equivalents	1,339	1,120
Non-current assets held for sale	50	1,130
Current assets	11,283	12,397
Total assets	35,669	34,701
EQUITY AND LIABILITIES		
Issued capital	1,207	1,209
Other reserves	875	87
Retained earnings	8,976	8,550
Equity attributable to Deutsche Post AG shareholders	11,058	9,846
Minority interest	146	102
Equity	11,204	9,948
Provisions for pensions and other employee benefits	4,846	4,761
Deferred tax liabilities	467	459
Other non-current provisions	2,073	1,879
Non-current provisions	7,386	7,099
Non-current financial liabilities	3,822	3,274
Other non-current liabilities	365	377
Non-current liabilities	4,187	3,651
Non-current provisions and liabilities	11,573	10,750
Income tax provisions	213	209
Other current provisions	1,680	1,658
Current provisions	1,893	1,867
Current financial liabilities	1,156	2,185
Trade payables	5,211	4,877
Income tax liabilities	139	98
Other current liabilities	4,493	4,951
Liabilities associated with non-current assets held for sale	0	25
Current liabilities	10,999	12,136
Current provisions and liabilities	12,892	14,003
Total equity and liabilities	35,669	34,701

12.3 Additional information: Cash flow statement (Postbank at equity)

1 January to 30 June

€m	H1		Q2	
	2007 restated ¹⁾	2008	2007 restated ¹⁾	2008
Net profit before taxes	895	771	309	291
Net finance costs excluding net income from measurement at equity	467	516	223	266
Net income from measurement at equity	-148	-118	-76	-60
Profit from operating activities (EBIT)	1,214	1,169	456	497
Depreciation/amortisation of non-current assets	777	722	398	363
Net income from disposal of non-current assets	-94	-41	-18	-15
Non-cash income and expense	61	70	33	56
Change in provisions	-318	-569	-197	-360
Change in other assets and liabilities	-101	-29	-56	-27
Taxes paid	-141	-184	-59	-132
Net cash from operating activities before changes in working capital	1,398	1,138	557	382
Changes in working capital				
Inventories	21	-41	5	-31
Receivables and other assets	-629	-522	-139	-133
Liabilities and other items	-1	48	116	264
Net cash from operating activities	789	623	539	482
Proceeds from disposal of non-current assets				
Divestitures	50	0	0	0
Other non-current assets	305	732	187	424
	355	732	187	424
Cash paid to acquire non-current assets				
Investments in companies	-295	-420	-146	-327
Other non-current assets	-791	-782	-414	-426
	-1,086	-1,202	-560	-753
Interest received	48	28	29	13
Postbank dividend	103	103	103	103
Current financial instruments	0	5	55	16
Net cash used in investing activities	-580	-334	-186	-197
Change in financial liabilities	296	803	527	782
Other financing activities	4	68	14	27
Dividend paid to Deutsche Post AG shareholders	-903	-1,087	-903	-1,087
Dividend paid to other shareholders	-6	-33	-4	-28
Issuance of shares under stock option plan	30	18	9	8
Interest paid	-185	-243	-77	-107
Net cash used in financing activities	-764	-474	-434	-405
Net change in cash and cash equivalents	-555	-185	-81	-120
Effect of changes in exchange rates on cash and cash equivalents	-3	-36	2	1
Changes in cash and cash equivalents due to changes in consolidated group	24	2	0	2
Cash and cash equivalents at beginning of reporting period	1,761	1,339	1,306	1,237
Cash and cash equivalents at end of reporting period	1,227	1,120	1,227	1,120

1) Prior-year figures restated in accordance with the consolidated financial statements.

Responsibility Statement

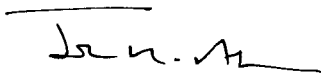
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, 30 July 2008

Deutsche Post AG
The Board of Management



Dr Frank Appel



John Allan



Bruce Edwards



Jürgen Gerdes



John P. Mullen



Walter Scheurle



Hermann Ude

Review Report

To Deutsche Post AG

We have reviewed the condensed consolidated interim financial statements – comprising the income statement, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Post AG, Bonn, for the period from 1 January to 30 June 2008 which are part of the half-year financial report pursuant to § (Article) 37w WpHG (*Wertpapierhandelsgesetz*: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 30 July 2008

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Klaus-Dieter Ruske
Wirtschaftsprüfer
(German Public Auditor)

Hans-Joachim Holte
Wirtschaftsprüfer
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