

## **Audio Statements on first-quarter earnings**

**Deutsche Post World Net today published its report for the first quarter of 2008. After a solid performance during the first three months, the Group confirmed its full-year EBIT guidance of around 4.2 billion euros before non-recurring effects. In an interview with DPWN News, Chief Financial Officer John Allan talks about the first-quarter results and provides an update on the progress of the Roadmap to Value.**

**DPWN-News: John, it is a time of uncertainty and challenges for the global economy. How do you rate the performance of the Group in light of recent developments?**

(O-Ton 1): "Well, overall we're very satisfied with our operating performance in the first quarter. There were some challenges in the economy, particularly in the U.S., but we managed to surmount those, in addition we had two fewer working days which we felt in a number of parts of the business, particularly in MAIL and the rest of Europe and if you look at the numbers, adjusting for these non-recurring effects, we had growth of 6.4 percent to 1 billion euros so that was pretty solid performance. Our reported revenue grew just under 2 percent but with big impact from negative currency effects. Adjusting for that, revenues would have risen by around 6 percent, which I think shows the resilience and the long-term growth potential of our operating business and we were particularly pleased that within EXPRESS and LOGISTICS we continue to see sound growth trends." (0'58)

**DPWN-News: Does this mean that you are still comfortable with your full-year EBIT guidance of 4.2 billion euros?**

(O-Ton 2): "Well of course we're operating in a very uncertain year, there are issues around the world economy, around oil prices, around currencies but at this stage we think that our underlying performance is very sound and we see absolutely no reason to need to adjust our full-year guidance. So we are sticking with the guidance we issued last autumn. We are supported in that, not just by the first quarter being very satisfactory, but our trading in April was quite encouraging we saw the reversal of the working day effect of the first quarter, so really we see no need to change guidance at this time." (0'37)

**DPWN-News: Looking at the four business divisions – What were the main highlights?**

(O-Ton 3): "Well, in MAIL we really feel we were able to hold onto our ground very well after the full opening of the German market on January 1. We fought very hard to retain major customers, to win back some major customers and in overall terms we have won more new business than we have lost over this period, so we have slightly increased our market share, which is very good. In EXPRESS we had good organic revenue growth in every region, other than the U.S., and we have announced that we will present our plan to very significantly improve the performance of the U.S. business by the end of May. In LOGISTICS we saw good organic growth across all businesses with EBIT growth outpacing revenue growth. In FINANCIAL SERVICES, Deutsche Postbank managed to gain market share in its key products and, due to its strong focus on the retail business and its conservative risk profile, the impact from the subprime crisis was very limited." (1'00)

**DPWN-News: The Roadmap to Value has been a focus of your activities over the past months. Did you record any major achievements?**

(O-Ton 4): "Well, again we think we made very sound progress in the first quarter and we achieved a number of milestones. We are working on profitability, there are a large number of profit improvement programs happening within particularly EXPRESS and LOGISTICS and those are very much on track. Cash generation, one of the planks of our Roadmap to Value, we set last autumn a target of 1 billion euros by the end of 2009, we have beaten that target. We have achieved deals which will bring in 1.35 billion euros of cash by March, so I think that's a very, very satisfactory performance indeed. We have just paid out our highest dividend ever, 20 percent increase on the previous year, and we plan to continue a progressive dividend policy to benefit our shareholders going forward and we have improved the transparency of our numbers. The first-quarter figures that we have published today provide more information at quite a detailed level for our individual businesses. And finally, and I think very importantly, the Roadmap to Value is not just about cutting costs and generating cash, it's also about demonstrating the real long-term growth potential that exists within the Group and we are very pleased that, yet again, our revenue growth outpaced the market, particularly in fast-growing regions." (1'30)