

## Further Developments and Outlook

### Report on post-balance sheet date events

#### **John Allan to leave the company**

Chief Financial Officer John Allan (60) has decided to leave the company of his own volition. Following the extension of his contract in early 2008, Mr Allan will make use of a contractual option enabling him to end his current term of office on 30 June 2009.

#### **Agreement on pan-European telecommunications services signed with Telefónica**

On 7 January 2009, Deutsche Post World Net entered into a services agreement worth nearly €350 million with Spanish telecommunications provider Telefónica. The telecommunications company will provide mobile, fixed voice and data services to 125,000 company employees at 2,400 sites in 28 European countries outside Germany, starting in spring 2009. We expect to save over €150 million over the five-year term of the agreement.

#### **Structure of Postbank contract adjusted**

On 14 January 2009, Deutsche Post AG and Deutsche Bank AG agreed on an improved transaction structure for Deutsche Bank's acquisition of Deutsche Postbank AG shares based on the previous purchase price. The transaction was closed on 25 February 2009. The contract now comprises three tranches. Deutsche Post received the proceeds of the whole transaction on the day of the closing and thus three years earlier than expected. The cash value of the transaction is now €4.9 billion.

As a first step, Deutsche Bank acquires 50 million Postbank shares – corresponding to a stake of 22.9% – in a non-cash capital increase. Upon entry of the capital increase in the commercial register, Deutsche Post acquires a shareholding of around 8% in Deutsche Bank. Deutsche Post can dispose of over half of this holding from the end of April 2009; the other half may be disposed of from mid-June. It has been agreed that mechanisms designed to avoid market disturbances will be applied to any such sales. A certain amount of hedging has been carried out for the interim.

At the same time, Deutsche Bank fully underwrote, in a second tranche, mandatory exchangeable bonds issued by Deutsche Post. After three years, these bonds – including interest payments accrued – will be exchanged for 60 million Postbank shares, or a 27.4% stake. The bonds are zero-coupon bonds with a 4% accrued interest per year. The cash value of the bonds at the time of the closing is €2.6 billion.

Put and call options remain in place for the remaining 26.4 million shares (or 12.1%). Deutsche Bank pays a cash collateral for the options amounting to the cash value of €1.1 billion at the time of the closing. The exercise periods are now set between the 36th and 48th month after closing. Through the collateralisation of the put option and the subscription to the mandatory exchangeable bonds, Deutsche Post receives €4.2 billion in direct liquid funds, of which €3.1 billion were received by Deutsche Post on 2 January 2009 and a further €1.1 billion on 25 February 2009.