Interim Report

January to March 2006

Deutsche Post World Net

MAIL EXPRESS LOGISTICS FINANCE

Key figures

		Q1 2005 restated	Q1 2006	+/– %
The Group				
Revenue	€m	10,526	14,815	40.7
Profit from operating activities (EBIT)	€m	880	917	4.2
Return on sales[1]	%	8.4	6.2	
MAIL				
Revenue	€m	3,259	3,314	1.7
Profit from operating activities (EBIT)	€m	643	674	4.8
Return on sales[1]	%	19.7	20.3	
EXPRESS				
Revenue	€m	4,201	4,622	10.0
Profit or loss from operating activities (EBIT)	€m	77	–37	–148.1
Return on sales[1]	%	1.8	–0.8	
LOGISTICS				
Revenue	€m	1,674	4,968	196.8
Profit from operating activities (EBIT)	€m	66	154	133.3
Return on sales[1]	%	3.9	3.1	
FINANCIAL SERVICES				
Income	€m	1,693	2,355	39.1
Profit from operating activities (EBIT)	€m	218	221	1.4
SERVICES				
Revenue	€m	1,347	1,499	11.3
Loss from operating activities (EBIT)	€m	–93	–95	–2.2
Other key figures				
Consolidated net profit for the period[2]	€m	459	482	5.0
Operating cash flow (Postbank at equity)	€m	281	46	–83.6
Net debt (Postbank at equity)	€m	3,959	4,621	16.7
Earnings per share	€	0.41	0.40	–2.4
Number of employees[3]		347,607	457,354	31.6

1) EBIT/revenue
2) Consolidated net profit for the period excluding minorities
3) Average FTEs

Milestones

In Q1 2006	
January 2	Acquisition of BHW Holding by Postbank finally completed
March 10	DHL Global Mail forms a joint venture with Yamato in Japan
March 20	Deutsche Post sells Marken courier company
March 24	Deutsche Post acquires UK company Williams Lea

After March 31, 2006	
April 5	DHL announces price reduction for national small packages as of May 1
April 26	Deutsche Post builds international DHL Innovations Center
May 10	Annual General Meeting resolves dividend and elects Supervisory Board
May 10	Deutsche Post Supervisory Board elects new chairman

Deutsche Post World Net
is the global market leader in terms of logistics. Our Deutsche Post, DHL and Postbank brands stand for a broad range of services for managing and transporting mail, goods and information. 500,000 employees in more than 220 countries and territories on all five continents provide superior logistics services to help our customers be even more successful in their markets.

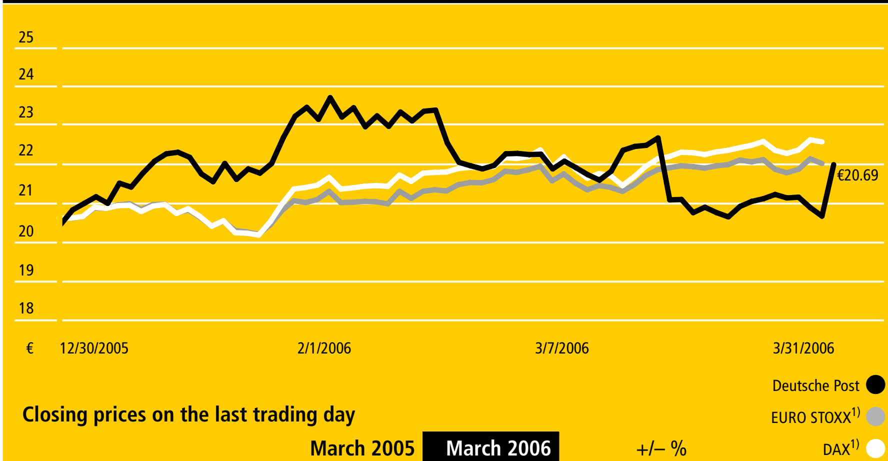
What we have delivered in Q1 2006:
We further expanded our offering of global mail services with the acquisition of Williams Lea and the joint venture with the Japanese company Yamato. The logistics business, extended by Exel, got off to a good start in terms of integration, performance and growth. The European express business has also picked up since the beginning of the year. The proportion of consolidated revenue generated outside Germany rose to 57.4%.

What we want to deliver by the end of 2006:
We want to continue with the rapid and successful integration of Exel and BHW. We want to further improve our operating performance and further increase service quality to our customers' satisfaction. The Group continues to expect to generate revenue of a good €60 billion for fiscal year 2006.

Contents

Deutsche Post stock

Deutsche Post stock +/– %



Closing prices on the last trading day

		March 2005	March 2006	+/– %
Deutsche Post	€	18.83	20.69	9.9
TPG	€	21.95	28.57	30.2
FedEx	US$	93.95	112.94	20.2
UPS	US$	72.74	79.38	9.1

1) Rebased to the closing price of Deutsche Post stock on December 30, 2005

In the first quarter of 2006, the stock markets continued the positive trend of the previous year: the DAX rose by 10.4%, while the EURO STOXX 50 – the European stock market barometer – increased by 7.7%. In Germany, the market was boosted by takeover speculations. Lively stock market trade and continuing low interest rates also motivated more and more private investors to invest in shares.

Deutsche Post stock initially developed very positively in the period under review. By mid-February, its price rose to €23.85 and significantly outperformed the DAX. The average trading volume amounted to 5.5 million shares and thus doubled as against Q1 2005. Deutsche Post stock then came under pressure after we announced the preliminary Group earnings for the previous fiscal year on February 15 and the full results on March 14, as well as the outlook for 2006 and beyond. At the end of March, it closed with a slight increase of 1% at €20.69.

Our stock data		Q1 2005	Q1 2006	+/– %
Closing price on March 31	€	18.83	20.69	9.9
High	€	18.98	23.85	25.7
Low	€	16.48	20.49	24.3
Market capitalization	€m	20,954	24,700	17.9
Earnings per share	€	0.41	0.40	–2.4
Cash flow per share[1]	€	0.25	0.04	–84.0
Average trading volume[2]	shares	2,738,825	5,501,506	100.9
Number of shares at March 31	millions	1,112.8	1,193.8[3]	7.3

1) Cash flow from operating activities
2) Per day
3) Increase in the number of shares due to the acquisition of Exel and the exercise of options from the 2001 and 2002 SOP tranches

Milestones

Deutsche Post expands its international mail network

Deutsche Post World Net has established a joint venture with Yamato Holdings in the area of mail services. The new joint venture is the first of its kind in Japan and will provide an end-to-end offering of direct marketing services. DHL Global Mail will hold a 49% interest and Yamato Holdings will hold 51%. We are thus the first foreign provider to penetrate the Japanese mail market.

Sale of the Marken courier company to 3i

Deutsche Post World Net sold the Marken courier company to the financial investor 3i on March 20, 2006. The specialist for the transport of sensitive and time-critical goods was acquired in December 2005 as part of the acquisition of Exel. The sale will enable Marken to continue its specialist business outside the Group.

Acquisition of Williams Lea completed

Deutsche Post World Net acquired the majority interest in the UK company Williams Lea on March 24, 2006. The company is an international provider of value-added mail and document services and offers an extensive range of print, mailroom and document management products, as well as direct marketing services. By making this acquisition, we are increasing the presence of our DHL Global Mail brand in national markets outside Germany and widening our range of global mail services.

Note 8

Annual General Meeting resolves dividend and elects Supervisory Board

In addition to addressing annually recurring topics, the Annual General Meeting on May 10, 2006 included elections to the Supervisory Board and resolved amendments to the Articles of Association. These measures are primarily based on the amendments brought by the *Gesetz zur Unternehmensintegrität und Modernisierung des Anfechtungsrechts* (UMAG – German Act on Corporate Integrity and Modernization of the Right of Avoidance). With regard to the appropriation of the unappropriated surplus, the Annual General Meeting concurred with the proposal by the Board of Management and the Supervisory Board and resolved a dividend payment of €0.70 per no-par value share. This represents an increase of 40% year-on-year and a distribution of 37.4% of the consolidated net profit. The Supervisory Board members proposed for re-election, van Agtmael, Brahms and Prof. Dr. Krüger, were elected to the Supervisory Board by large majorities, as were the new candidates Gatzer, Dr. von Grünberg, Roels and Toime.

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Supervisory Board elects new chairman

The period of office of the Chairman of the Supervisory Board, Josef Hattig, expired with the end of this year's Annual General Meeting. The new Supervisory Board elected Dr. Jürgen Weber as Chairman from among its own members on May 10, 2006. The composition of the committees was also resolved.

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Report by the Board of Management

Economic environment

The global economy began 2006 with great momentum. The state of the economy in all world regions was sound to strong.

The economy in the USA continued to grow significantly faster, with demand remaining underpinned by a broad domestic basis. In this environment, the US Federal Reserve under its new chairman maintained its strategy of continuous interest rate hikes, raising its key rates by 0.25% to a current 4.75%.

The Japanese economy is experiencing a robust upturn. Positive impetus is being provided in particular by investment in machinery and equipment as well as by private consumption. In addition, the country is profiting from its close links with the fast growing economies of East and South-East Asia. China continued its outstanding record, with growth remaining steady at a very high level.

The signs of economic recovery increased in the euro zone. Business confidence in economic growth rose continuously. Consumers also viewed the future with somewhat more confidence. Against this background, the European Central Bank inched up key rates again to 2.5%.

In Germany, there are also definite signs of a stronger upturn. The ifo business climate index reached its highest level since April 1991 in Q1 2006.

Business developments

Note 3

In December 2005, Deutsche Post World Net acquired a 100% interest in the logistics company Exel plc, Bracknell, UK (Exel). Exel was provisionally included in the consolidated financial statements as of December 31, 2005 at its IFRS carrying amounts. As a result of the purchase price allocation of Exel, the amounts in the consolidated balance sheet changed as of December 31, 2005. We therefore adjusted our financial statements as of December 31, 2005 accordingly.

We have also made a further restatement of the prior-year figures as a result of the new SERVICES Corporate Division: to enable the improved management and transparent presentation of cross-segment service functions such as IT services (ITS), aviation and hubs, these are reported as a separate segment as of fiscal year 2006.

In Q1 2006, **consolidated revenue** and **income from banking transactions** rose by 40.7% to €14,815 million (previous year: €10,526 million). The increase is driven primarily by the first-time inclusion of the Exel group in revenue. Excluding Exel, consolidated revenue amounted to €11,932 million. The proportion of consolidated revenue generated outside Germany increased from 48.0% in the first quarter of the previous year to a current 57.4%. Acquisition effects totaled €3,246 million. Currency effects impacted revenue by €223 million.

Other operating income declined from €678 million to €586 million, due primarily to income from the reversal of a VAT provision in Q1 2005 amounting to €255 million. This was offset in part in the quarter under review by net income generated of €89 million resulting from the positive outcome of arbitration proceedings with Deutsche Telekom, and income of €10 million from the sale of McPaper AG. **Other operating expenses** rose slightly by €93 million from €1,159 million to €1,252 million. Of this, €89 million is due to the first-time inclusion of the Exel group.

Note 6

Note 6

Materials expense and **expenses from banking transactions** rose by €2,922 million to €8,222 million (previous year: €5,300 million). €1,723 million of this significant increase is due to Exel and is reflected primarily in transport costs. In addition, expenses from banking transactions increased by €521 million year-on-year, due largely to the acquisition of BHW. **Staff costs** were also impacted by the acquisition of Exel and BHW. They increased year-on-year by €1,061 million to €4,618 million, with Exel accounting for €904 million. **Depreciation, amortization and impairment losses** for the Group totaled €392 million in the period under review. The increase of €84 million was also mainly due to acquisitions.

Business development in Q1 2006 led to a **profit from operating activities (EBIT)** of €917 million, a year-on-year increase of 4.2%.

Net finance costs improved slightly by €4 million from €249 million to €245 million. The increase in finance costs due to the integration of Exel is offset by interest expenses of €77 million in the previous year as a result of tax arrears.

As a result, **profit from ordinary activities** rose by €41 million to €672 million (previous year: €631 million). **Income tax expense** amounted to €134 million in the period under review, compared with €123 million in Q1 2005. The tax rate rose slightly from 19.5% to 20.0%.

Overall, **consolidated net profit for the period** rose by €30 million year-on-year to €538 million. Of this, €482 million was attributable to Deutsche Post AG shareholders, and €56 million to minorities. **Earnings per share** decreased slightly from €0.41 to €0.40 as a result of the higher average number of shares in Q1 2006.

Note 4

Operating cash flow (Postbank at equity) declined from €281 million in the previous year to €46 million. This was mainly attributable to an increase in working capital. At €743 million net cash from operating activities before changes in working capital virtually matched the previous year's level. **Net cash used in investing activities** (Postbank at equity) totaled €534 million in the period under review (previous year: €607 million). This primarily includes payments for acquisitions (in particular Williams Lea) amounting to €397 million and for other noncurrent assets amounting to €339 million. This was partly offset by cash inflows from the disposal of noncurrent assets amounting to €331 million. **Net cash from financing activities** (Postbank at equity) in Q1 2006 amounted to €273 million, after net cash used in financing activities amounted to €103 million in the previous year. The cash inflow was mainly due to borrowings by Deutsche Post AG. **Cash and cash equivalents** (Postbank at equity) fell from €1,384 million to €1,180 million in the first three months of 2006.

Compared with December 31, 2005, **net debt** (Postbank at equity) grew from €3,959 million to €4,621 million as of March 31, 2006. As a result, there was also a change in **net gearing** in the "Postbank at equity" scenario from 26.8% on December 31, 2005 to 29.5% on March 31, 2006.

The Group's **capital expenditure (capex)**, i.e. investments in property, plant and equipment and intangible assets (excluding goodwill), amounted to a total of €356 million as of March 2006. The majority was channeled into the further expansion of our international network structures. Investments rose by 39.6% compared with the previous year, mainly due to the acquisition of Exel and BHW.

In the MAIL Corporate Division, investments chiefly focused on technical equipment, machinery and IT. Investments in the EXPRESS Corporate Division were mainly directed toward expanding the network infrastructure in Europe and the United States. In Asia, we are investing primarily in the construction of our new headquarters in Beijing. In the LOGISTICS Corporate Division, we established further distribution centers and developed customized transportation and warehousing solutions. Postbank's primary investments were in connection with the integration of BHW. In addition, we made cross-divisional investments as in the previous year; the main focus of these investments can be found in the i 2005 Annual Report.

i http://investors.dpwn.com

Corporate divisions

Segments by corporate division January 1 to March 31, 2006

€m	MAIL	EXPRESS[1]	LOGISTICS[1]	FINANCIAL SERVICES[1]	SERVICES[1]	Consolidation[1]	Group
External revenue	3,133	4,467	4,935	2,212	68	0	14,815
Internal revenue	181	155	33	143	1,431	–1,943	0
Total revenue	3,314	4,622	4,968	2,355	1,499	–1,943	14,815
Profit or loss from operating activities (EBIT)	674	–37	154	221	–95	0	917
Net income from associates	0	0	1	0	0	0	1
Segment assets[4]	4,024	11,465	12,610	179,776	4,063	–2,117	209,821
Investments in associates[4]	22	19	16	0	24	0	81
Segment liabilities including non-interest-bearing provisions[4]	2,046	3,786	3,852	168,131	2,362	–2,045	178,132
Segment investments	34	130	120	1,453	107	–4	1,840
Depreciation, amortization and write-downs	70	88	85	38	111	0	392
Other non-cash expenses	34	81	35	128	17	0	295
Employees[5]	126,987	127,027	149,676	21,765	31,899	0	457,354

Segments by corporate division January 1 to March 31, 2005

€m	MAIL	EXPRESS[1]	LOGISTICS[1]	FINANCIAL SERVICES[1]	SERVICES[1]	Consolidation[1]	Group
External revenue	3,097	4,141	1,648	1,576	64	0	10,526
Internal revenue	162	60	26	117	1,283	–1,648	0
Total revenue	3,259	4,201	1,674	1,693	1,347	–1,648	10,526
Profit or loss from operating activities (EBIT)	643	77	66	218[3]	–93	–31	880[3]
Net income from associates	0	0	0	0	0	0	0
Segment assets[4]	3,664	11,595	13,005[2]	138,787	4,077	–3,471	167,657[2]
Investments in associates[4]	22	19	23	0	14	0	78
Segment liabilities including non-interest-bearing provisions[4]	1,926	3,947	4,038[2]	129,136	3,476	–3,303	139,220[2]
Segment investments	53	171	14	23	104	0	365
Depreciation, amortization and write-downs	77	65	37	36	93	0	308
Other non-cash expenses	29	81	9	70	24	0	213
Employees[5]	129,200	125,638	36,033	22,169	34,567	0	347,607

Segments by region

January 1 to March 31	Germany		Europe excluding Germany		Americas		Asia Pacific		Other regions		Group	
€m	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
External revenue	5,478	6,316	2,657	4,188	1,527	2,684	676	1,384	188	243	10,526	14,815
Segment assets[4]	132,932[2]	174,998	19,767[2]	20,219	10,495[2]	10,404	3,978[2]	3,799	485	401	167,657[2]	209,821
Segment investments	88	1,604	123	111	87	87	59	33	8	5	365	1,840

1) Prior-period amounts restated, see note 7
2) Prior-period amounts restated, see note 3
3) Prior-period amounts restated due to a change in an accounting policy in accordance with IAS 8.22 (see statement of changes in equity)
4) As of December 31, 2005, and March 31, 2006
5) Average FTEs

MAIL Corporate Division

MAIL		Q1		+/– %
		2005	2006	
Revenue	€m	3,259	3,314	1.7
of which Mail Communication	€m	1,650	1,647	–0.2
Direct Marketing	€m	734	726	–1.1
Press Distribution	€m	199	204	2.5
Mail International/Value-added Services	€m	514	556	8.2
Internal revenue	€m	162	181	11.7
Profit from operating activities (EBIT)	€m	643	674	4.8
Return on sales[1]	%	19.7	20.3	

1) EBIT/revenue

In the first three months of 2006, which had three additional working days, the MAIL Corporate Division increased its revenue slightly by 1.7% to €3,314 million (previous year: €3,259 million). While systematically and successfully expanding our international mail business, we also recorded organic growth in this area. These factors enabled us to more than offset the expected decline in revenue at the national level with international business. We will not include Williams Lea until April 1, 2006. As in the past, currency effects were negligible.

As expected, the Mail Communication Business Division was affected by the continued weakness of the domestic economy in the markets relevant for us, as well as by growing competition: at €1,647 million, its revenue was on a level with the previous year. We were also obliged to cut the prices of compact letters by five cents in 2006 in accordance with the price-cap procedure; this had a negative impact on revenue in the amount of around €10 million.

Mail Communication (Deutsche Post AG share)	Q1		+/– %
mail items (millions)	2005	2006	
Business customer letters	1,892	1,905	0.7
Private customer letters	340	338	–0.6
Total	**2,232**	**2,243**	0.5

At €726 million in the period under review, the Direct Marketing Business Division also only maintained its revenue at around the previous year's level of €734 million due to the required price cuts for "Standard" and "Compact" Infobrief products.

Direct Marketing (Deutsche Post AG share)	Q1		+/– %
mail items (millions)	**2005**	**2006**	
Infopost/Infobrief (addressed advertising mail)	1,707	1,715	0.5
Postwurfsendung/Postwurf Spezial (unaddressed/partly addressed advertising mail)	1,023	1,150	12.4
Total	**2,730**	**2,865**	4.9

The Press Distribution Business Division again recorded slight revenue growth from €199 million in the previous year to €204 million.

Our international business again generated strong growth: in the first quarter, revenue in the Mail International and Value-added Services Business Divisions rose by 8.2% to €556 million (previous year: €514 million). After making acquisitions in France and the United States in the previous year, we recorded organic growth in these countries. The two business divisions now account for 17% of the corporate division's revenue.

At €674 million, profit from operating activities (EBIT) exceeded the prior-year figure of €643 million by 4.8%. The return on sales amounted to 20.3%.

EXPRESS Corporate Division

EXPRESS		Q1		+/– %
		2005 restated	**2006**	
Revenue	€m	4,201	4,622	10.0
of which Europe	€m	2,818	2,923	3.7
Americas	€m	1,061	1,109	4.5
Asia Pacific	€m	494	569	15.2
Emerging Markets (EMA)	€m	196	224	14.3
Consolidation	€m	–368	–203	44.8
Profit or loss from operating activities (EBIT)	€m	77	–37	–148.1
Return on sales[1]	%	1.8	–0.8	

1) EBIT/revenue

In the EXPRESS Corporate Division, the figures for the first quarter of 2005 were restated because, as announced, we now report cross-segment service functions such as IT services, aviation and hubs in a new SERVICES Corporate Division.

In the first three months of 2006, the corporate division generated substantial revenue growth to which all regions contributed. Revenue rose by 10.0% to €4,622 million (previous year: €4,201 million). This includes positive currency effects amounting to €127 million.

Business in the European market has picked up since the beginning of the year: in the Europe region, revenue rose by 3.7% to €2,923 million (previous year: €2,818 million). Growth was impacted by disposals in the previous year, among others, of Fuelserv in the United Kingdom and the Scandinavian Fulco group. Revenue from international parcel and freight products increased again in Germany. The international express business also increased in other European countries – with particularly strong growth in Italy, Spain and Central Europe, which includes Poland, the Czech Republic, Austria and Switzerland, for example.

In the Americas region, revenue rose by 4.5% to €1,109 million (previous year: €1,061 million), €95 million of which related to positive currency effects. This region continued to suffer from quality-related losses of customers and revenue in the fourth quarter of 2005, although we have achieved considerable success in restoring our service quality here since the beginning of the year. As expected, these revenue losses affected the quarterly results. According to current assessments, this trend is not likely to reverse until the middle of the year.

The Asia Pacific region continued to profit from strong economic growth, recording revenue of €569 million (previous year: €494 million). All subregions generated double-digit operating revenue growth.

The strong operating growth in the Emerging Markets (EMA) is primarily driven by business in Russia, Turkey and Greece. This region increased revenue by 14.3% in the first quarter to €224 million (previous year: €196 million).

Overall, the loss from operating activities (EBIT) for the corporate division amounted to €37 million (previous year: profit from operating activities of €77 million). This deterioration is entirely due to the situation in the Americas region. We were able to improve our results in each of the other reported regions.

LOGISTICS Corporate Division

LOGISTICS		Q1		+/– %
		2005 restated	**2006**	
Revenue	€m	1,674	4,968	196.8
of which DHL Global Forwarding	€m	1,224	2,227	81.9
DHL Exel Supply Chain	€m	453	2,827	524.1
Consolidation/other	€m	–3	–86	–2,766.7
Profit from operating activities (EBIT)	€m	66	154	133.3
Return on sales[1]	%	3.9	3.1	

1) EBIT/revenue

In the LOGISTICS Corporate Division, the figures for the first quarter of 2005 were restated because, as announced, we now report cross-segment service functions such as IT services in a new SERVICES Corporate Division.

Since the beginning of the year, the corporate division has also included the activities of Exel plc., which was acquired in the previous year. Its business divisions are DHL Global Forwarding (formerly DHL Danzas Air & Ocean) and DHL Exel Supply Chain (formerly DHL Solutions). Joint business got off to a good start in terms of integration, performance and growth.

Revenue amounted to €4,968 million in the first quarter (previous year: €1,674 million), with both business divisions recording sustainable organic growth. Acquisition effects totaled €2,774 million and related primarily to Exel. Positive currency effects amounted to €82 million.

DHL Global Forwarding continued its positive development in all areas, as the following table shows. Revenue of €2,227 million (previous year: €1,224 million) reflects growth of 81.9%, which is both organic and due to acquisitions.

DHL Global Forwarding: revenue by area	Q1		+/– %
€m	**2005**	**2006**	
Air freight	608	1,187	95.2
Ocean freight	417	606	45.3
Other[1]	199	434	118.1
Total	**1,224**	**2,227**	81.9

1) Previously reported under Projects/other

The organic growth in air freight is being driven by strong volume growth, but continues to be impacted by additional fuel and security surcharges. In ocean freight, the increased transport volume more than offset the slight decrease in freight rates. The other areas profited in particular from the acquisition of Exel, but also recorded slight organic growth.

DHL Global Forwarding: volumes

		Q1		+/– %
thousands		**2005**	**2006**	
Air freight	Tonnage	530	942	77.7
Ocean freight	TEUs[1]	284	504	77.5

1) Twenty-foot equivalent units

The DHL Exel Supply Chain Business Division also recorded healthy organic growth: at €2,827 million, revenue was up significantly on the prior-year figure of €453 million. Contract logistics is receiving a strong boost from Exel's former business and substantially lifted its revenue in almost all sectors, as the following table shows. Fast moving consumer goods achieved the strongest growth in absolute terms because Exel has a leading position in the key markets in this area.

DHL Exel Supply Chain: revenue by sector

	Q1		+/– %
€m	**2005**	**2006**	
Automotive	18	207	1,050.0
Pharma/healthcare	15	205	1,266.7
Electronics/telecommunications	174	427	145.4
Fast moving consumer goods	155	1,545	896.8
Textiles/fashion	74	236	218.9
Other	17	207	1,117.6
Total	**453**	**2,827**	524.1

Profit from operating activities (EBIT) in this corporate division was €154 million in the first quarter (previous year: €66 million). The 133.3% increase is due to organic growth, but primarily to the integration of Exel. It includes an expected return on plan assets of €59 million in connection with pension obligations. The profit also includes costs for write-downs of customer contracts as well as integration expenses. The return on sales was 3.1% compared with 3.9% in the prior-year period.

FINANCIAL SERVICES Corporate Division

FINANCIAL SERVICES	Q1		+/– %
€m	2005 restated	2006	
Revenue and income from banking transactions	1,693	2,355	39.1
Profit from operating activities (EBIT)	218	221	1.4

The FINANCIAL SERVICES Corporate Division consists primarily of Postbank. As of January 1, 2006, Postbank acquired 850 retail outlets with around 9,600 employees from Deutsche Post AG by purchasing DP Retail GmbH. We now report the remaining retail outlets in the new SERVICES Corporate Division. We have restated the prior-period amounts accordingly. In addition, we report the Pension Service in the FINANCIAL SERVICES Corporate Division.

Deutsche Postbank AG published its interim report on the first quarter on May 15, 2006.

In the first quarter of 2006, the FINANCIAL SERVICES Corporate Division generated revenue and income from banking transactions of €2,355 million (previous year: €1,693 million). Income from banking transactions comprises income from interest, fees and commissions, and trading transactions; it is equivalent to an industrial company's revenue. Postbank increased its income year-on-year, among others, as a result of acquisitions.

Acquisition effects from the purchase of BHW's shares in relation to income totaled €472 million. With effect from January 2, 2006, Deutsche Postbank AG increased its shareholding in BHW Holding to 91.04% of the share capital and voting rights. After implementing a mandatory offer to the remaining minority shareholders, Postbank now controls 98.43% of the voting rights and is aiming to gain a 100% interest under a squeeze-out procedure.

Despite expenses arising from this acquisition, the corporate division again improved its results. Its profit from operating activities (EBIT) increased by 1.4% year-on-year to €221 million (previous year: €218 million).

SERVICES Corporate Division

SERVICES	Q1		+/– %
€m	2005 restated	2006	
Revenue	1,347	1,499	11.3
Loss from operating activities (EBIT)	–93	–95	–2.2

We created a new segment as of January 1, 2006: the SERVICES Corporate Division bundles internal services across the Group with the goal of enhancing service quality and cutting costs. The new division includes the company's Global Business Services with the following areas: legal, insurance, procurement, finance operations, IT services, real estate, fleet management, global customer solutions and business consulting. The new corporate division's other components are the Corporate Center, hubs, global network aviation and the retail outlets that still belong to Deutsche Post. SERVICES also reports income and expenses recorded by Deutsche Post AG that cannot be allocated to an individual corporate division. We report the services provided by internal service providers as internal revenue. The prior-period amounts were restated accordingly.

Revenue amounted to €1,499 million in the first quarter – up €152 million year-on-year. As a result of growth in our international express business, we recorded higher revenue here from our flight network and hubs in particular.

At €95 million, the loss from operating activities (EBIT) in the first three months was almost on a level with the prior-year figure (loss of €93 million). While the previous year's results included income from the reversal of provisions for VAT payments, the corporate division profited this year from the positive outcome of arbitration proceedings with Deutsche Telekom.

Risks

As widely reported, the VAT treatment of postal services in the EU has been the subject of fierce debate for many years. The European legislative process initiated by the European Commission has meanwhile come to a standstill.

On April 10, 2006, the European Commission opened infringement proceedings against the Federal Republic of Germany relating to the VAT exemption for postal universal services provided by Deutsche Post AG. In the Commission's opinion, the VAT exemption is too extensive and therefore the Federal Republic of Germany is infringing European law. Under German law and administrative practice, the universal services provided by Deutsche Post AG are exempt from VAT. The European Commission gave the Federal Republic of Germany an opportunity to comment on this matter within a period of two months.

If VAT were to be applied, the resulting risk would be cushioned by price increases. According to the regulatory authority, the prices it has approved do not include VAT. Rather, they are net prices, which means that VAT could be added to the approved prices.

Compared with the opportunities and risks presented in detail in the 2005 Annual Report starting on page 68, no significant additional risks arose for the Group in the first three months of 2006.

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Other information

As a service provider, Deutsche Post World Net does not undertake any research and development activities in the narrower sense, and thus does not report significant expenses in this area.

The economic conditions for the Group have not changed significantly since the end of the period under review.

Outlook

2006 is likely to be the fourth good year in a row for the global economy. However, the forces driving growth are expected to decline in some regions as the year progresses:

- The US economy is likely to slow somewhat in the second half of the year, although the upturn does not appear to be in danger.
- In Japan, the conditions for continued respectable growth are favorable as a result of reforms and the extensive elimination of structural problems.
- There are currently no signs of a slowdown in the high pace of growth in China.
- The economy in the euro zone should initially accelerate, but could decline again in the second half of the year. However, economic growth is likely to accelerate to just under 2% overall.
- Growth prospects in Germany have not been as good for several years, and business sentiment is excellent. Consumer spending should also pick up substantially for the first time in five years, not least due to pull-forward effects relating to the VAT increase scheduled for 2007. At 1.8%, economic growth should therefore be twice as high as in 2005.

We continue to expect the following business developments for 2006:

- For the MAIL Corporate Division, the Group is expecting revenue to remain stable or increase slightly, and is forecasting EBIT of around €2 billion.
- In the EXPRESS Corporate Division, we are predicting single-digit percentage revenue growth. The 2006 operating profit should be on a level with the previous year excluding goodwill impairment, at around €450 million.
- We are expecting the LOGISTICS Corporate Division to generate revenue of well over €18 billion. After integrating Exel, we modified the method previously used by the company to report pension obligations and adapted it to reflect the standard method used by Deutsche Post World Net. This lifted the division's results by around €200 million. We are therefore forecasting EBIT of around €700 million for 2006.
- Revenue in the FINANCIAL SERVICES Corporate Division is also expected to increase due to the integration of BHW Holding, and we are predicting double-digit percentage growth in operating profit to at least €900 million.

For the current year, the Group is expecting revenue of a good €60 billion and EBIT of at least €3.9 billion, including substantial one-time expenses for the integration of Exel and BHW.

Consolidated Interim Financial Statements

Income statement January 1 to March 31	**2005** restated	**2006**
€m		
Revenue and income from banking transactions	10,526	14,815
Other operating income	678	586
Total operating income	**11,204**	**15,401**
Materials expense and expenses from banking transactions	–5,300	–8,222
Staff costs	–3,557	–4,618
Depreciation, amortization and impairment losses	–308	–392
Other operating expenses[1)]	–1,159	–1,252
Total operating expenses	**–10,324**	**–14,484**
Profit from operating activities (EBIT)	**880**	**917**
Net income from associates	0	1
Net other finance costs	–249	–246
Net finance costs	**–249**	**–245**
Profit from ordinary activities	**631**	**672**
Income tax expense[1)]	–123	–134
Consolidated net profit for the period	**508**	**538**
attributable to		
Deutsche Post AG shareholders	459	482
Minorities[1)]	49	56
€		
Basic earnings per share	**0.41**	**0.40**
Diluted earnings per share	**0.41**	**0.40**

1) Prior-period amounts restated, see note 3

Balance sheet

as of March 31, 2006

€m	Dec. 31, 2005 restated	March 31, 2006
ASSETS		
Intangible assets[1]	13,026	13,913
Property, plant and equipment[1]	9,674	9,758
Investments in associates	78	81
Investment property	107	106
Other noncurrent financial assets	776	1,198
Noncurrent financial assets	**961**	**1,385**
Other noncurrent assets	373	339
Deferred tax assets[1]	955	1,274
Noncurrent assets	**24,989**	**26,669**
Inventories	282	266
Noncurrent assets held for sale	28	1
Current tax receivables	576	602
Receivables and other assets[1]	8,199	8,840
Receivables and other securities from financial services	136,213	176,848
Financial instruments	35	204
Cash and cash equivalents	2,084	1,915
Current assets	**147,417**	**188,676**
Total assets	**172,406**	**215,345**
EQUITY AND LIABILITIES		
Issued capital	1,193	1,194
Other reserves	2,021	1,795
Retained earnings	7,493	7,956
Equity attributable to Deutsche Post AG shareholders	10,707	10,945
Minority interest	1,833	1,867
Equity	**12,540**	**12,812**
Provisions for pensions and other employee benefits[1]	5,756	6,151
Deferred tax liabilities[1]	1,438	1,877
Other noncurrent provisions[1]	2,517	4,394
Noncurrent provisions	**9,711**	**12,422**
Noncurrent financial liabilities	4,811	4,651
Other noncurrent liabilities	3,989	4,792
Noncurrent liabilities	**8,800**	**9,443**
Noncurrent provisions and liabilities	**18,511**	**21,865**
Current tax provisions	625	689
Other current provisions	1,825	1,730
Current provisions	**2,450**	**2,419**
Current financial liabilities	855	1,419
Trade payables	4,952	4,593
Liabilities from financial services	128,568	167,464
Current tax liabilities	655	702
Current liabilities associated with noncurrent assets held for sale	20	0
Other current liabilities[1]	3,855	4,071
Current liabilities	**138,905**	**178,249**
Current provisions and liabilities	**141,355**	**180,668**
Total equity and liabilities	**172,406**	**215,345**

1) Prior-period amounts restated, see note 3

Cash flow statement

January 1 to March 31

€m	2005 restated	2006
Net profit before taxes[1]	**631**	**672**
Net finance costs	249	245
Depreciation/amortization of noncurrent assets	308	392
Gains on disposal of noncurrent assets	–17	–18
Non-cash income and expense	107	94
Change in provisions	–259	–348
Taxes paid	–41	–32
Net cash from operating activities before changes in working capital	**978**	**1,005**
Changes in working capital		
Inventories	–19	15
Receivables and other assets	–489	–283
Receivables/liabilities from financial services	–427	1,667
Liabilities and other items[1]	–323	–655
Net cash from (previous year: net cash used in) operating activities	**–280**	**1,749**
Proceeds from disposal of noncurrent assets		
Divestitures	6	236
Other noncurrent assets	65	107
	71	**343**
Cash paid to acquire noncurrent assets		
Investments in companies	–144	–2,090
Other noncurrent assets	–403	–368
	–547	**–2,458**
Interest received	75	43
Current financial instruments	–173	–170
Net cash used in investing activities	**–574**	**–2,242**
Change in financial liabilities	–13	389
Dividend paid to Deutsche Post AG shareholders	0	0
Dividend paid to other shareholders	0	0
Issuance of shares under stock option plan	0	16
Interest paid	–89	–92
Net cash from (previous year: net cash used in) financing activities	**–102**	**313**
Net change in cash and cash equivalents	–956	–180
Effect of changes in exchange rates on cash and cash equivalents	–15	11
Change in cash and cash equivalents due to changes in consolidated goup	0	0
Cash and cash equivalents at January 1	4,845	2,084
Cash and cash equivalents at March 31	**3,874**	**1,915**

1) Prior-period amounts restated, see note 3

Statement of changes in equity

January 1 to March 31

		Other reserves						
€m	Issued capital	Capital reserves	IAS 39 reserves	Currency translation reserve	Retained earnings	Equity attributable to Deutsche Post AG shareholders	Minority interest	Total equity
Balance at January 1, 2005 before adjustment	1,113	408	–343	–150	6,189	7,217	1,611	8,828
Adjustments	0	0	401	0	–376	25	12	37
Balance at January 1, 2005 after adjustment[1)]	**1,113**	**408**	**58**	**–150**	**5,813**	**7,242**	**1,623**	**8,865**
Capital transactions with owner								
Capital contribution from retained earnings						0		0
Dividend						0		0
Other changes in equity not recognized in income								
Currency translation differences				36		36	8	44
Other changes		12	57		26	95	20	115
Changes in equity recognized in income								
Consolidated net profit					459	459	49	508
Stock option plans						0		0
Balance at March 31, 2005 after adjustment	**1,113**	**420**	**115**	**–114**	**6,298**	**7,832**	**1,700**	**9,532**
Balance at January 1, 2006	**1,193**	**1,893**	**169**	**–41**	**7,493**	**10,707**	**1,833**	**12,540**
Capital transactions with owner								
Capital contribution from retained earnings						0		0
Dividend						0		0
Other changes in equity not recognized in income								
Currency translation differences				–152		–152	–3	–155
Other changes	1	15	–97		–19	–100	–19	–119
Changes in equity recognized in income								
Consolidated net profit					482	482	56	538
Stock option plans		8				8		8
Balance at March 31, 2006	**1,194**	**1,916**	**72**	**–193**	**7,956**	**10,945**	**1,867**	**12,812**

1) The retrospective initial adjustment according to IAS 39 (rev. 2003) produces a cumulative impairment of shares in the amount of €430 million, which results in a reduction in retained earnings and an increase in IAS 39 reserves (revaluation reserve). The reclassification of financial assets also results in a reduction in the revaluation reserve of €29 million and in minority interest of €15 million. The change in accounting policy in accordance with IAS 8.22, whereby the expenses from the arrangement of mortgages are deferred according to the duration of the mortgage and not immediately recognized as an expense, leads to an increase in retained earnings of €54 million and in minority interest of €27 million

Notes to the consolidated interim financial statements

1 Basis of accounting

As a listed company, Deutsche Post AG prepared its consolidated financial statements for the period ended March 31, 2006 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

The accounting policies, as well as the explanations and disclosures, are generally based on the same accounting policies used in the 2005 consolidated financial statements.

For further information on the accounting policies applied, please refer to the i consolidated financial statements for the period ended December 31, 2005, on which this interim report is based.

i http://investors.dpwn.com

2 Consolidated group

The companies listed in the table below are consolidated in addition to the parent company Deutsche Post AG.

Consolidated group	Dec. 31, 2005	March 31, 2006
Number of fully consolidated companies (subsidiaries)		
German	101	130
Foreign	521	1,078
Number of proportionately consolidated joint ventures		
German	2	2
Foreign	3	4
Number of equity method-accounted companies (associates)		
German	4	7
Foreign	29	62

The increase in the number of fully consolidated companies is attributable primarily to the fact that the Exel group has been included in the consolidated financial statements for Q1 on the basis of the individual Exel companies.

The disposal of the German company McPaper AG, Berlin, in the first quarter of 2006 resulted in a deconsolidation gain of €10 million, which is reported in other operating income.

3 Purchase price allocation and adjustment of balance sheet and income statement carrying amounts

Purchase price allocation for Exel

Deutsche Post World Net acquired a 100% interest in the logistics company Exel plc, Bracknell, UK, (Exel) in December 2005. Exel was provisionally included in the consolidated financial statements as of December 31, 2005 at its IFRS carrying amounts. The amount of the provisional difference changed as follows as a result of the purchase price allocation in accordance with IFRS 3:

Goodwill

€m	
Provisional goodwill as of December 31, 2005	5,459
Customer list	–399
Brand name	–539
Land and buildings	–169
Current receivables and other assets	+5
Noncurrent liabilities and provisions	+131
Current liabilities and provisions	+23
Deferred taxes, net	+287
Goodwill as of December 31, 2005	**4,798**

The net assets acquired were therefore as follows:

Net assets acquired
as of December 31, 2005

€m	Carrying amounts	Adjustments	Fair value
Intangible assets	213	+938	1,151
Property, plant and equipment	981	+169	1,150
Noncurrent financial assets	30	0	30
Other noncurrent assets	173	0	173
Current receivables, other current assets, and cash and cash equivalents	2,344	–5	2,339
Current liabilities and provisions	–3,028	–23	–3,051
Noncurrent liabilities and provisions	–577	–132	–709
Deferred taxes, net	40	–286	–246
Net assets	**176**		**837**
Minority interest	–25		–25
Net assets acquired	**151**		**812**

Measurement of goodwill

€m	
Total purchase price as of December 31, 2005	5,610
Less identifiable net assets at fair value	–812
Goodwill as of December 31, 2005	**4,798**

Subsequent acquisition costs of €21 million were capitalized in fiscal year 2006. This increased goodwill to €4,819 million.

Marken Ltd., United Kingdom, was sold on March 20, 2006. In terms of accounting, no disposal gain was realized in the Group because the assets and liabilities were recognized at their fair values in the course of purchase price allocation.

Adjustments to consolidated balance sheet

The following adjustments to the carrying amounts in the consolidated balance sheet as of December 31, 2005 arose from the purchase price allocation of Exel:

Adjusted consolidated balance sheet

as of December 31

€m	2005	Adjustments	2005 restated
ASSETS			
Intangible assets	12,749	+277	13,026
Property, plant and equipment	9,505	+169	9,674
Deferred tax assets	883	+72	955
Receivables and other assets	8,204	–5	8,199
EQUITY AND LIABILITIES			
Noncurrent provisions			
Provisions for pensions and other employee benefits	5,780	–24	5,756
Deferred tax liabilities	1,080	+358	1,438
Other provisions	2,361	+156	2,517
Current liabilities			
Other liabilities	3,832	+23	3,855

Purchase price allocation for BHW

Following completion of the share purchase agreement concluded with the previous main shareholders of BHW Holding AG, namely BGAG Beteiligungsgesellschaft der Gewerkschaften AG, BGAG Beteiligungsverwaltungsgesellschaft mbH, NH-Beteiligungsverwaltungsgesellschaft mbH and Deutscher Beamtenwirtschaftsbund (BWB) GmbH, on October 25, 2005, Deutsche Postbank AG acquired 137,581,212 BHW shares on January 2, 2006. Taking the capital reduction through retirement of BHW Holding AG's own shares on December 31, 2005 into account, this corresponds to 82.9% of the share capital and voting rights of BHW Holding AG. The purchase increased Deutsche Postbank AG's shareholding in BHW Holding AG to 91.04% of the share capital and voting rights, and Deutsche Postbank AG thus acquired a controlling interest in BHW Holding AG in accordance with IAS 27.

On January 26, 2006, Deutsche Postbank AG made a mandatory offer in accordance with section 35(2) of the *Wertpapiererwerbs- und Übernahmegesetz* (WpÜG – German Securities Acquisition and Takeover Act). The subject of the mandatory offer is the acquisition of all no-par value shares of BHW Holding AG. Deutsche Postbank AG holds an interest of 98.43% since that date. The purchase price for the 98.43% interest amounts to €1,734 million plus the transaction costs of €19 million incurred. The allocation of the purchase price to the identifiable assets, liabilities and contingent liabilities at their fair values uses purchase price allocation in accordance with IFRS 3, which is not yet completed.

BHW group	Dec. 31, 2005
€m	
Purchase price	1,734
Costs directly attributable to the purchase	19
Total purchase price	**1,753**
Less identifiable net assets at fair value	–1,327
Goodwill	**426**

Net assets acquired

€m	Carrying amounts	Adjustments	Fair value
Receivables and other securities from financial services	39,748	+714	40,462
Property, plant and equipment	245	–37	208
Deferred taxes	384	0	384
Cash and cash equivalents	98	0	98
Other assets	250	+550	800
TOTAL ASSETS	40,726		41,953
Liabilities from financial services	36,543	+320	36,863
Noncurrent provisions	2,009	+212	2,221
Deferred taxes	383	+240	623
Current liabilities	204		204
Noncurrent liabilities	640	+59	699
EQUITY AND LIABILITIES less equity	39,779		40,610
Net assets	947		1,343
Less minority interest	n.r.		–16
Net assets acquired			**1,327**

Adjustments to income statement

The following income statement items have changed as a result of the Deutsche Postbank group's change in accounting policy for the deferral of expenses relating to sales activities for mortgage loans:

Adjusted income statement

January 1 to March 31

€m	2005	Adjustments	2005 restated
Other operating expenses	–1,168	+9	–1,159
Income tax expense	–120	–3	–123
Consolidated net profit for the period	502	+6	508
attributable to Deutsche Post AG shareholders	455	+4	459
attributable to minorities	47	+2	49

4 Shares, stock options, equity

The number of stock options on shares of Deutsche Post AG granted to executives in Group management levels 1 to 3 changed as follows as against December 31, 2005:

Stock options	SOP 2000		SOP 2003		
Number	Tranche 2001	Tranche 2002	Tranche 2003	Tranche 2004	Tranche 2005
Outstanding options at January 1, 2006	662,789	2,946,797	11,571,618	8,605,470	9,999,180
Outstanding SARs at January 1, 2006	27,040	148,558	577,770	680,318	1,191,264
Options lapsed	627,215	0	97,986	72,540	63,492
SARs lapsed	25,924	0	23,994	17,766	45,768
Options exercised	35,574	1,100,852	0	0	0
SARs exercised	1,116	17,922	0	0	0
Outstanding options at March 31, 2006	**0**	**1,845,945**	**11,473,632**	**8,532,930**	**9,935,688**
Outstanding SARs at March 31, 2006	**0**	**130,636**	**553,776**	**662,552**	**1,145,496**

The issued capital increased from €1,193 million to €1,194 million in the first quarter of 2006. It is now composed of 1,193,770,165 no-par value registered shares. The increase in issued capital is attributable to the servicing of stock options from the Stock Option Plan 2000.

5 Contingent liabilities

The Group's contingent liabilities have not changed significantly compared with December 31, 2005. In addition, the Deutsche Postbank group had irrevocable loan commitments amounting to €12,951 million.

6 Other operating income and expenses

Other operating income January 1 to March 31 €m	2005	2006
Income from investment securities and insurance business (financial services)	61	75
Income from currency translation differences	90	69
Income from the reversal of provisions	299	68
Income from work performed and capitalized	36	49
Reversal of impairment losses on receivables and other assets	4	49
Income from non-hedging derivatives	2	42
Gains on disposal of noncurrent assets	26	38
Insurance income	25	37
Income from prior-period billings	10	21
Rental and lease income	22	21
Income from fees and reimbursements	9	16
Change in inventories	1	13
Income from the derecognition of liabilities	23	11
Income from loss compensation	3	6
Income from housing management cost equalization	0	3
Miscellaneous	67	68
	678	**586**

Miscellaneous other operating income includes a number of individual items that do not exceed €3 million.

Other operating expenses January 1 to March 31	2005	2006
€m		
Public relations expenses	96	116
Travel and training costs	91	107
Legal, consulting and audit costs	110	105
Expenses from currency translation differences	99	92
Write-downs of current assets	47	80
Allowance for losses on loans and advances (financial services)	51	78
Other business taxes	257	75
Telecommunication costs	71	73
Cost of purchased cleaning, transportation and security services	65	70
Insurance costs	58	54
Addition to provisions	6	54
Office supplies	46	49
Prior-period other operating expenses	19	36
Warranty expenses, refunds and compensation payments	27	35
Entertainment and corporate hospitality expenses	24	32
Expenses from non-hedging derivatives	8	23
Services provided by Bundesanstalt für Post und Telekommunikation	21	23
Voluntary social benefits	9	18
Contributions and fees	14	14
Donations	11	11
Commissions paid	4	10
Other property-related expenses	9	7
Monetary transaction costs	5	6
Miscellaneous	11	84
	1,159	**1,252**

Miscellaneous other operating expenses include a number of individual items that do not exceed €5 million.

7 Segment reporting

To manage cross-segment service functions such as IT services (ITS), aviation and hubs, a fifth corporate division, called SERVICES, was established, which is presented as a separate segment starting in fiscal year 2006. The prior-period amounts were restated accordingly. In addition, the retail outlets of Deutsche Post Retail GmbH transferred to Deutsche Post AG are reported in this segment. The expenses relating to the IT service centers and that cannot be allocated to the segments are also reported in the SERVICES Corporate Division.

8 Other disclosures

Deutsche Post World Net acquired 66.15% of the shares of the international mail and document services provider Williams Lea Group Ltd., London, United Kingdom, for €322 million on March 24, 2006. Williams Lea is a leading provider of value-added mail and document services and offers an extensive range of print, mailroom and document management products, as well as direct marketing services. The interest will be initially consolidated in the second quarter of 2006.

Consolidated interim financial statements (Postbank at equity)

Income statement (Postbank at equity) January 1 to March 31	2005 restated	2006
€m		
Revenue	9,166	12,705
Other operating income	614	544
Total operating income	**9,780**	**13,249**
Materials expense	–4,379	–6,895
Staff costs	–3,402	–4,282
Depreciation, amortization and impairment losses	–282	–355
Other operating expenses	–1,020	–1,017
Total operating expenses	**–9,083**	**–12,549**
Profit from operating activities (EBIT)	**697**	**700**
Net income from associates	0	1
Net income from measurement of Deutsche Postbank group at equity[1]	77	90
Net other finance costs	–241	–237
Net finance costs	**–164**	**–146**
Profit from ordinary activities	**533**	**554**
Income tax expense	–62	–61
Consolidated net profit for the period	**471**	**493**
attributable to		
Deutsche Post AG shareholders	459	482
Minorities[1]	12	11

1) Prior-period amounts restated in accordance with the consolidated financial statements

Balance sheet (Postbank at equity) as of March 31, 2006	Dec. 31, 2005 restated	March 31, 2006
€m		
ASSETS		
Intangible assets[1]	12,804	12,521
Property, plant and equipment[1]	8,921	8,771
Investments in associates	78	81
Investments in Deutsche Postbank group	3,473	2,453
Investment property	35	34
Other noncurrent financial assets	718	1,054
Noncurrent financial assets	**4,304**	**3,622**
Other noncurrent assets	373	339
Deferred tax assets[1]	521	567
Noncurrent assets	**26,923**	**25,820**
Inventories	279	266
Noncurrent assets held for sale	28	1
Current tax receivables	526	508
Receivables and other assets[1]	7,883	8,338
Financial instruments	35	204
Cash and cash equivalents	1,384	1,180
Current assets	**10,135**	**10,497**
Total assets	**37,058**	**36,317**
EQUITY AND LIABILITIES		
Issued capital	1,193	1,194
Other reserves	2,021	1,795
Retained earnings	7,493	7,956
Equity attributable to Deutsche Post AG shareholders	10,707	10,945
Minority interest	110	125
Equity	**10,817**	**11,070**
Provisions for pensions and other employee benefits[1]	5,171	5,069
Deferred tax liabilities[1]	483	505
Other noncurrent provisions[1]	2,145	2,115
Noncurrent provisions	**7,799**	**7,689**
Noncurrent financial liabilities	4,811	4,651
Other noncurrent liabilities	233	210
Noncurrent liabilities	**5,044**	**4,861**
Noncurrent provisions and liabilities	**12,843**	**12,550**
Current tax provisions	550	572
Other current provisions	1,813	1,698
Current provisions	**2,363**	**2,270**
Current financial liabilities	930	1,697
Trade payables	4,869	4,451
Current tax liabilities	558	686
Current liabilities associated with noncurrent assets held for sale	20	0
Other current liabilities[1]	4,658	3,593
Current liabilities	**11,035**	**10,427**
Current provisions and liabilities	**13,398**	**12,697**
Total equity and liabilities	**37,058**	**36,317**

1) Prior-period amounts restated in accordance with the consolidated financial statements

Cash flow statement (Postbank at equity)

January 1 to March 31

€m	2005 restated	2006
Net profit before taxes	**533[1]**	**554**
Net finance costs excluding net income from measurement at equity	241	237
Depreciation/amortization of noncurrent assets	282	355
Gains on disposal of noncurrent assets	–17	–16
Non-cash income and expense	56	16
Net income from measurement at equity	–77[1]	–90
Change in provisions	–211	–294
Taxes paid	–31	–19
Net cash from operating activities before changes in working capital	**776**	**743**
Changes in working capital		
Inventories	–19	12
Receivables and other assets	–203	–396
Liabilities and other items	–273	–313
Net cash from operating activities	**281**	**46**
Proceeds from disposal of noncurrent assets		
Divestitures	6	236
Other noncurrent assets	7	95
	13	**331**
Cash paid to acquire noncurrent assets		
Investments in companies	–144	–397
Other noncurrent assets	–382	–339
	–526	**–736**
Interest and dividends received	80	41
Postbank dividend	0	0
Current financial instruments	–174	–170
Net cash used in investing activities	**–607**	**–534**
Change in financial liabilities	–9	352
Dividend paid to Deutsche Post AG shareholders	0	0
Dividend paid to other shareholders	0	0
Issuance of shares under stock option plan	0	16
Interest paid	–94	–95
Net cash from (previous year: net cash used in) financing activities	**–103**	**273**
Net change in cash and cash equivalents	–429	–215
Effect of changes in exchange rates on cash and cash equivalents	–15	11
Changes in cash and cash equivalents due to changes in consolidated group	0	0
Cash and cash equivalents at January 1	4,781	1,384
Cash and cash equivalents at March 31	**4,337**	**1,180**

1) Prior-period amounts restated in accordance with the consolidated financial statements

Events and contacts

Financial calendar

August 1, 2006	Interim report on the first half of 2006 Financials press conference and analysts' conference call
November 8, 2006	Interim report on the first nine months of 2006, analysts' conference call
March 20, 2007	2006 Annual Report, financials press conference and analyst conference
May 8, 2007	Annual General Meeting
May 9, 2007	Dividend payment
May 15, 2007	Interim report on the first quarter of 2007, analysts' conference call
August 3, 2007	Interim report on the first half of 2007 Financials press conference and analysts' conference call
November 8, 2007	Interim report on the first nine months of 2007, analysts' conference call

Investor events

May 31 – June 1, 2006	Deutsche Bank German Corporate Conference (Frankfurt am Main)
June 1, 2006	Goldman Sachs Business Services Conference (London)
September 15 – 17, 2006	International Investors' Trade Fair (Düsseldorf)

Further events, updates and information on live Internet broadcasts at http://investors.dpwn.com

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