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For immediate release

26 October 2016

RECOMMENDED CASH OFFER

for

UK Mail Group plc ("UK Mail")

by

Deutsche Post AG ("Deutsche Post DHL")

to be implemented pursuant to a scheme of arrangement

Posting of the Scheme Document

On 28 September 2016, the boards of UK Mail and Deutsche Post DHL announced that they had reached agreement on the terms of a recommended cash offer to be made by Deutsche Post DHL for the entire issued and to be issued ordinary share capital of UK Mail (the "**Offer**"). The Offer is being implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**").

The board of UK Mail announces that it is today posting to UK Mail Shareholders a circular in relation to the Offer (the "**Scheme Document**"), setting out, amongst other things, the full terms and conditions of the Scheme, an explanatory statement pursuant to section 897 of the Companies Act 2006, an expected timetable of principal events, notices of the Court Meeting and General Meeting and details of the actions to be taken by UK Mail Shareholders, together with the Forms of Proxy for the Court Meeting and the General Meeting. UK Mail is also posting the Scheme Document to participants in the UK Mail Share Schemes, together with details of the proposals being made to such participants.

Notices of the Court Meeting and General Meeting

As further detailed in the Scheme Document, to become Effective the Scheme requires, amongst other things, that the required majority of Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that the required majority of UK Mail Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

Notices convening the Court Meeting and the General Meeting for 11.00 a.m. and 11.05 a.m. (or, if later, as soon as the Court Meeting has been concluded or adjourned) respectively on 18 November 2016 to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL, are set out in the Scheme Document. Forms of Proxy for use at such meetings are enclosed with the Scheme Document. If the Scheme is approved by the Scheme Shareholders, the Resolution is approved by UK Mail Shareholders, all other Conditions to the Offer are satisfied or (if capable of waiver) waived, the Court sanctions the Scheme and the Scheme becomes Effective in accordance with its terms, then under the anticipated timetable it is expected that dealings in UK Mail Shares will be suspended at 5.00 p.m. on 21 December 2016 and UK Mail Shares will subsequently be cancelled from listing on the premium listing segment of the Official List and trading on the London Stock Exchange's main market for listed securities at 8.00 a.m. on 23 December 2016. Further details of the expected timetable of principal events are set out below and in the Scheme Document.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of the Scheme Shareholders' opinion. Scheme Shareholders are therefore strongly urged to submit their Forms of Proxy (or the electronic equivalent) (once received) as soon as possible in accordance with the instructions for so doing.

Capitalised terms used in this announcement (the "**Announcement**") shall, unless otherwise defined, have the same meanings as set out in the Scheme Document. Copies of this Announcement and the Scheme Document will be available (subject to certain restrictions relating to persons in Restricted Jurisdictions (as defined below)) on UK Mail's website at www.ukmail.com/investors up to and including the Effective Date. The contents of UK Mail's website are not incorporated into, and do not form part of, this Announcement.

Timetable

The current expected timetable of principal events for the implementation of the Scheme is set out in the Scheme Document and repeated below. If any of the key dates set out in the expected timetable change, an announcement will be made through a Regulatory Information Service.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme. All times shown in this document are London times unless otherwise stated.

<u>Event</u>	<u>Time and/or date</u>
Latest time for receipt of Forms of Proxy for:	
Court Meeting (blue form)	11.00 a.m. on 16 November 2016 ⁽¹⁾
General Meeting (white form)	11.05 a.m. on 16 November 2016 ⁽¹⁾
Voting Record Time for the Court Meeting and General Meeting	6.30 p.m. on 16 November 2016 ⁽²⁾
Court Meeting	11.00 a.m. on 18 November 2016
General Meeting	11.05 a.m. on 18 November 2016 ⁽³⁾
Agreed Dividend Record Date	Close of business on 25 November 2016
Agreed Dividend payment date	2 December 2016
<i>The following dates given are indicative only, are based on UK Mail's current expectations and may be subject to change⁽⁴⁾. UK Mail will give adequate notice of all of these dates, when known, by issuing an announcement through a Regulatory Information Service and by posting notice of these dates on its website http://www.ukmail.com/investors. Further updates of changes to other times or dates indicated above shall, at UK Mail's discretion, be notified in the same way. All UK Mail Shareholders have the right to attend the Scheme Court Hearing.</i>	
Scheme Court Hearing (to sanction the Scheme)	A date expected to be 20 December 2016, subject to regulatory clearances ("D") ⁽⁵⁾
Last day of dealings in, and for registrations of transfers of, UK Mail Shares	21 December 2016 (D+1)
Dealings in UK Mail Shares suspended	5.00 p.m. on 21 December 2016 (D+1)
Scheme Record Time	6.30 p.m. on 21 December 2016 (D+1)
Effective Date of the Scheme	22 December 2016 (D+2)
Cancellation of admission of and dealings in UK Mail Shares	By 08.00 a.m. on 23 December 2016 (D+3)
Latest date for despatch of cheques and/or crediting of CREST accounts for cash consideration due under the Scheme	14 days after the Effective Date
Long Stop Date	28 September 2017 ⁽⁶⁾

1. If the blue Form of Proxy for the Court Meeting is not received by UK Mail's Registrar, Equiniti, by 11.00 a.m. on 16 November 2016, it may be handed to the chairman of the Court Meeting at any time before the taking of the poll and still be valid or, if the Court Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting. However, the white Form of Proxy for the General Meeting must be received by Equiniti by 11.05 a.m. on 16 November 2016 in order for it to be valid or, if the General Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting.

2. If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 6.30 p.m. on the day which is two Business Days before the date fixed for the adjourned meeting.
3. The General Meeting will commence at 11.05 a.m. on 18 November 2016 or, if later, as soon thereafter as the Court Meeting has concluded or been adjourned.
4. These dates are indicative only and will depend, amongst other things, on the date upon which (i) the Conditions are either satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Scheme Court Order is delivered to the Registrar of Companies.
5. Any references to a day after "D" are references to a Business Day.
6. This is the latest date by which the Scheme may become effective unless UK Mail and Deutsche Post DHL agree, with the consent of the Panel and (if required) the Court, a later date.

Enquiries:

UK Mail Group plc 01753 706070
Steven Glew, Finance Director

Investec Bank plc (Financial Adviser to UK Mail Group plc) 0207 597 4000
Keith Anderson / James Rudd / Matt Lewis
William Godfrey / Rob Baker

MHP Communications 0203 128 8100
John Olsen/Giles Robinson/Gina Bell

Deutsche Post DHL +49 (228) 182 9944
Jürgen Gerdes
Achim Dünnwald
Anita Gupta
Robert Schneider
Marco Jülich
Daniel McGrath

Deutsche Bank AG (Financial Adviser to Deutsche Post DHL) 0207 545 8000
Christof Muerb
James Ibbotson
Ammar Altaf
Jimmy Bastock (Corporate Broking)

Important Notices

Investec Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK. Investec Bank plc is acting exclusively as financial adviser to UK Mail and no one else in connection with the Offer and will not be responsible to anyone other than UK Mail for providing the protections afforded to clients of Investec Bank plc nor for providing advice in connection with the Offer or any matter referred to herein.

Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank). It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority. Deutsche Bank AG is acting as financial adviser to Deutsche Post DHL and no one else in connection with the Offer or the contents of this announcement and will not be responsible to anyone other than Deutsche Post DHL for providing the protections afforded to its clients or for providing advice in connection with the contents of this announcement or any matter referred to herein.

This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise.

The Offer will be made solely by means of the Scheme Document or any document by which the Offer is made which will contain the full terms and Conditions of the Offer, including details of how to vote in respect of the acquisition.

This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Overseas Shareholders

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

The Offer relates to the acquisition of shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. However, if Deutsche Post DHL were to elect to implement the Offer by means of a takeover offer, such takeover offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Securities Exchange Act of 1934 (the “**US Exchange Act**”) and Regulation 14E thereunder. Such a takeover would be made in the United States by Deutsche Post DHL and no one else. In addition to any such takeover offer, Deutsche Post DHL, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in UK Mail outside such takeover offer during the period in which such takeover offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act.

Unless otherwise determined by Deutsche Post DHL or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction (a “**Restricted Jurisdiction**”) and no person may vote in favour of the Offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Offer to UK Mail Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

The Offer will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the UKLA.

Forward looking statements

This Announcement may contain statements about Deutsche Post DHL and UK Mail that are or may be forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Deutsche Post DHL’s or UK Mail’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on Deutsche Post DHL’s or UK Mail’s business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Deutsche Post DHL disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

No profit forecasts or estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Deutsche Post DHL or UK Mail, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Deutsche Post DHL or UK Mail, as appropriate.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Publication on Website

A copy of the Scheme Document (and any documented incorporated by reference therein) and this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Deutsche Post DHL's and UK Mail's websites at <http://www.dpdhl-publications.com> and <http://www.ukmail.com/investors/reports-downloads/dhl-offer> respectively by no later than 12 noon (London time) on Thursday 27 October 2016. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of the Scheme Document or this Announcement.