



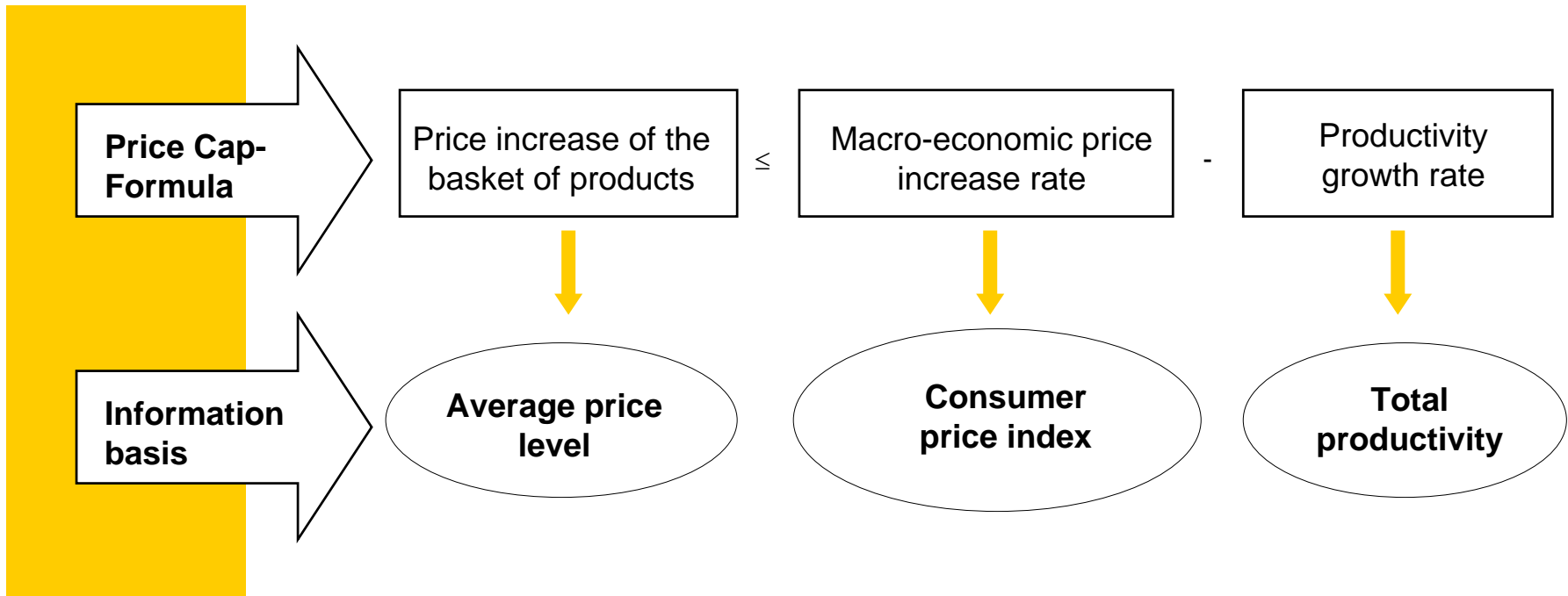
Deutsche Post World Net - Regulator decision

Dr. Edgar Ernst, CFO

Dr. Hans-Dieter Petram, Member of the board

9 July 2002

- Price reduction amounts to approx. € 300m p.a. from 2003 until 2007 to a total of approx. € 1.5bn
- Reduction affects earnings directly
- Price cuts will result in drastic cost-cuts, e.g. reduction of post offices and post boxes, reduction of workforce
- DPWN considers the decision as unjustified as regulator only partly accounted for expenses of Universal Service Obligation and burdens of the past
- Productivity growth rate of 1.8% from 2004 onwards is way above the benchmark for our competitors





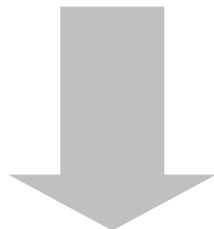
Product basket's affected by price reductions

- **´Monopoly´ basket**
e.g. Standard letter, Postcards
- **´Partial Access´ basket**
e.g. partial access to sorting centres, discounted products of monopoly basket
- **´Competition´ basket**
e.g. unaddressed mail, international mail items from retail customers

Principle notes to the decision

- Classification of baskets basically justifiable
- Maturity of 5 years and breakdown in 5 price-cap-periods justifiable
- Decision is unjustified as regulator only partly accounted for expenses of Universal Service Obligation and burdens of the past
- Productivity growth rate of 1.8% from 2004 onwards is way above the benchmark for our competitors

Impact 2003

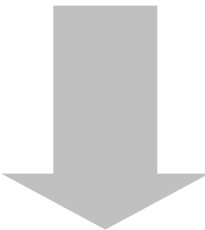
	Inflation rate (2001)	-	Productivity growth rate	=	Price change	Impact on earnings (approx.)
<u>Basket</u>						
Monopoly	2.5%	-	7.2%	=	-4.7%	 <hr/> max. -300m Euro
Partial Access	2.5%	-	6.5%	=	-4.0%	
Competition	2.5%	-	1.8%	=	+0.7%	
Forced reduction						

Inflation rate of 2.5% of 2001

Productivity growth rates are given by the regulator (RegTP)

Room for increases transferable to following years (carry over)

Impact 2004


	Inflation rate (2002)	-	Productivity growth rate	+	Carry over	=	Price change	Impact on earnings (approx.)
Monopoly	1.5%	-	1.8%	+	0.7%	=	+0.4%	 <hr/> + 19m Euro
Partial access	1.5%	-	1.8%	+	0.7%	=	+0.4%	
Competition	1.5%	-	1.8%	+	0.0%	=	-0.3%	

Inflation rate of 1.5% estimated

Productivity growth rates are given by the regulator (RegTP)

Room for increases transferable to following years (carry over)

Impact 2005 - 2007

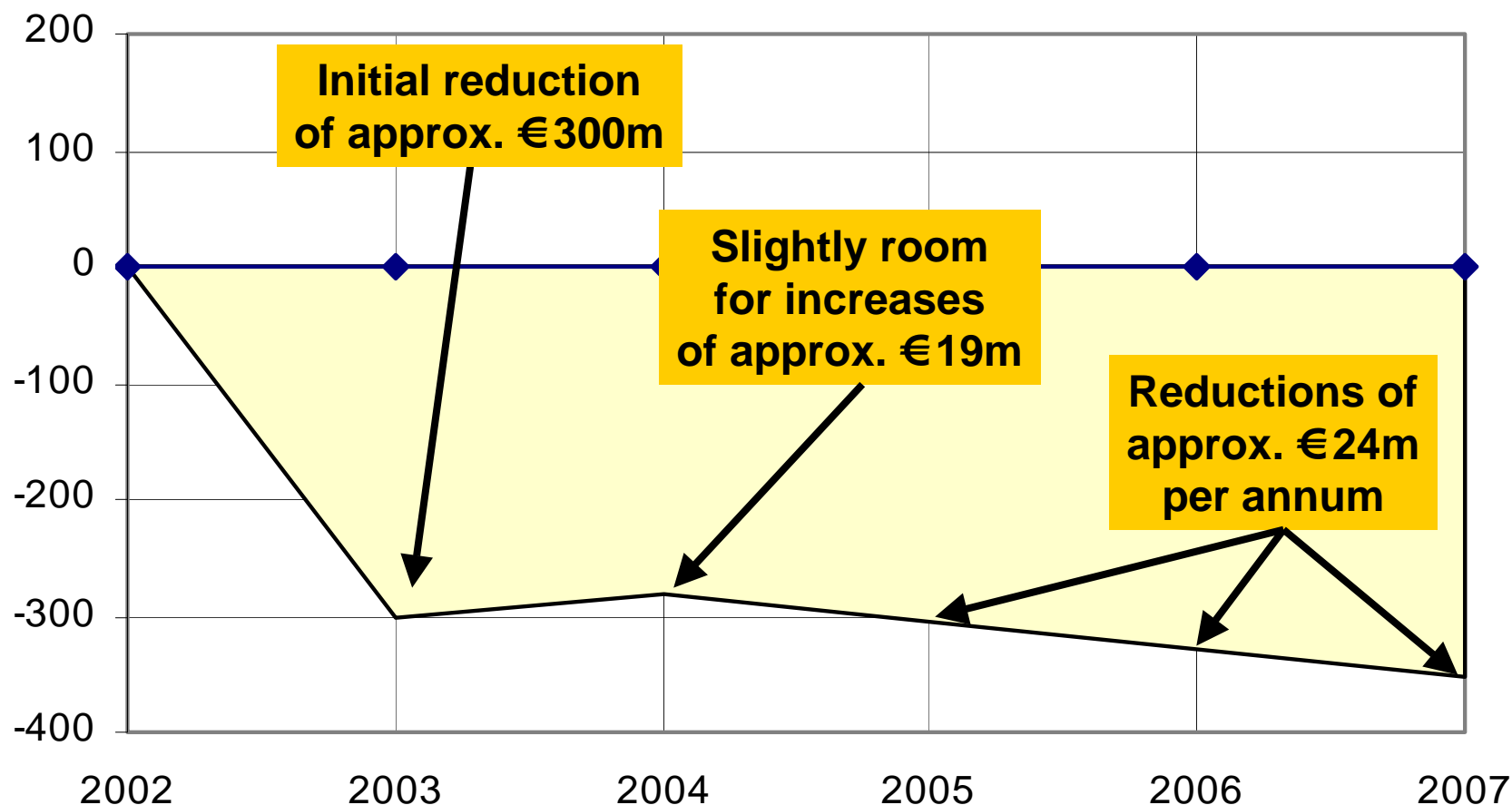
	Inflation rate (estimated)	-	Productivity growth rate	=	Price change	Impact on earnings (approx.)
Monopoly	1.5%	-	1.8%	=	-0.3%	 <hr/> - 24m Euro
Partial access	1.5%	-	1.8%	=	-0.3%	
Competition	1.5%	-	1.8%	=	-0.3%	
Forced reductions per year						

Inflation rate of 1.5% estimated

Productivity growth rates are given by the regulator (RegTP)

Impact on discounted EBITA 2003 - 2007

Change vs. unchanged prices, assuming no price elasticity



Summary economic impact for DPWN

- Price reduction amounts to approx. € 300m p.a. and is completely earnings effective
- Price alignments in basket Monopoly already in 2003
- Price alignments from 2004 onwards depend on development of inflation rate. Further price reductions are possible

- Workforce reduction (up to 10,000 jobs at risk)
- Reduction of post offices
- Reduction of mail boxes
- Price increases in non-regulated areas
- Introduction of prices for products which are currently free of charge

Future procedure

Approx. 3 weeks for hearing and reviews by RegTP before final decision

- This document may include forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.
- This document represents the Company's judgement as of July 9, 2002.