

Unsettled market environment continues into 2001

The slide on the global financial markets continued unabated in the year under review, despite occasional periods of recovery. Not only did the German share index DAX fall 19.8% from the start of the year, but the Euro STOXX 50 and Nasdaq indices also lost 18.0% and 21.2% respectively.

The share price of Deutsche Post stock started well in 2001, reaching €24.78, its highest level to date, on February 2. With its admission to the DAX on March 19, 2001, Deutsche Post stock was promoted to the realm of the blue chips. In the course of the year, our share price performance ran broadly in line with the performance of the DAX – and so was inevitably affected by the increasingly subdued mood on the capital markets.

The price reached a 52-week low of €11.80 on September 11 as a direct consequence of the terrorist attacks in New York and Washington, which led to great uncertainty on the capital markets and in some cases caused share prices to slide heavily. In the following weeks, Deutsche Post stock initially recovered more quickly than the majority of DAX 30 stocks, but came under pressure again in mid-October, following media reports of alleged anthrax-laced letters in Germany. On the last trading day of 2001, it closed at €14.99 which corresponds to a drop of 34.5%.

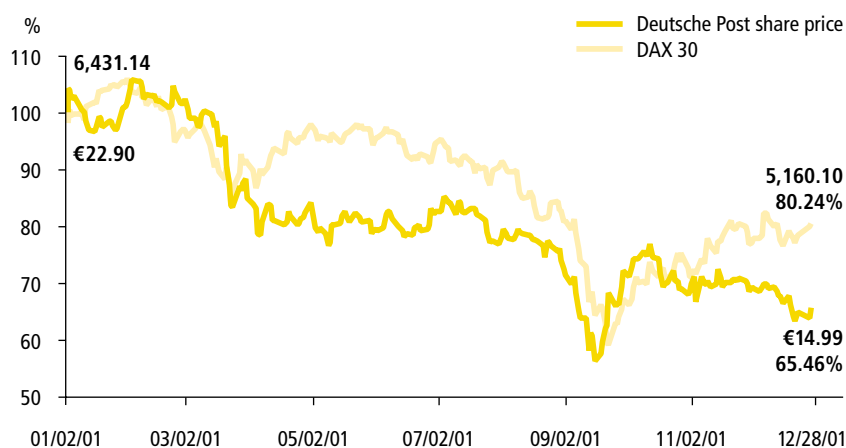
Deutsche Post stock data		2001	2000	Change in %
Earnings per share	in €	1.42	1.36	4.4
Dividend per share	in €	0.37 ¹⁾	0.27	37.0
Cash flow per share ²⁾	in €	3.32	3.13	6.1
Return on equity before taxes ³⁾	in %	46.0	62.1	

¹⁾ The Board of Management intends to propose a dividend distribution of €412 million to the Annual General Meeting.

²⁾ Cash flow I.

³⁾ Profit from ordinary activities before tax/average equity.

Deutsche Post share price development

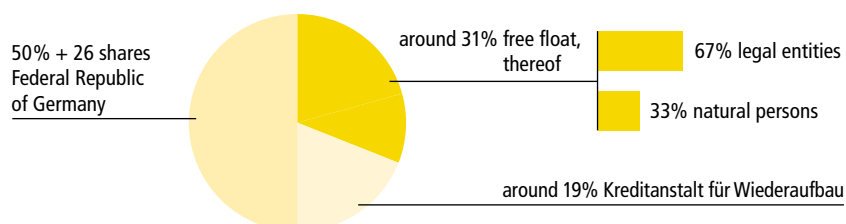


Our market capitalization at the end of the year was €16.7 billion (end-2000: €25.7 billion).

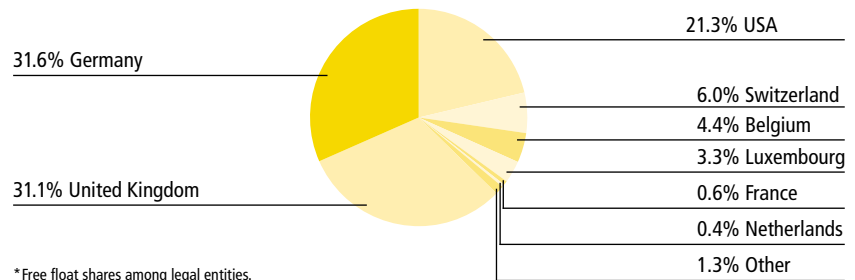
Deutsche Post stock with international free float

Our shareholder structure is as follows: as of December 31, 2001, 50% plus 26 of the shares were held by the Federal Republic of Germany, and around 19% were owned by Kreditanstalt für Wiederaufbau (KfW). The remaining shares, around 31%, were in free float. At the end of the year, a little over two-thirds of the free float were in the hands of institutional investors based primarily in Germany, the USA and the UK. All in all, Deutsche Post stock is held by shareholders in more than 100 countries and thus has a substantial international free float.

Shareholder structure as of December 31, 2001



Distribution of shares* by country as of December 31, 2001



Postal Service Transformation Act amended

In the course of the year under review, the majority shareholder amended the Postumwandlungsgesetz (German Postal Service Transformation Act) as announced at the time of our IPO on November 20, 2000. The Federal Republic of Germany is now no longer obliged to hold a majority of the shares in the company. The Federal Minister of Finance said in December 2001: "Further steps toward the privatization of Deutsche Post AG ... will be taken if the conditions on the capital markets are right."

Management stock option plan

At the time of our IPO, Deutsche Post World Net established a stock option plan for around 1,000 executives. The exercise of the options, following a three-year lock-up period, is tied to two conditions: the performance of the Deutsche Post share price, and the relative performance of the share price against the performance of the Dow Jones Euro STOXX Total Return Index. In March of the year under review, the strike price for the share options was set at €23.05.



Increased investor relations activities

In 2001, we substantially increased communication with our shareholders.

We made personal visits to a large number of institutional investors and held one-on-one meetings to inform them about the situation and future strategic orientation of the Group. Eight roadshows took us to various European countries, and also to the USA. We invited analysts to the presentation of our annual financial statements and the publication of our half-yearly figures, as well as organizing conference calls to announce our quarterly figures on March 31 and September 30.

We have also increased contact with our private investors, with one particular success in this area being our first General Meeting following our IPO, which we held on June 27, 2001 in the Kölnarena, Cologne. More than 5,000 shareholders had an opportunity to experience our progress and performance for themselves. We answered the questions of interested private investors at a series of bank events throughout Germany. Information about Deutsche Post stock can be requested by sending a message to ir@deutschepost.de. “Nachrichten-Börse” is a magazine we are developing for private investors, with 850,000 copies of the first two issues of the year under review sent to our shareholders and a further 900,000 to other interested parties. The Investor Relations Newsletter, sent regularly by e-mail to our institutional investors and available to private investors on our website, summarizes the most important news about Deutsche Post stock. At the start of fiscal year 2002, we further improved and expanded our Internet presence at www.dpwn.de with a view to providing transparent information for private investors. At the same time, to intensify communication with investors we also added to our investor relations team. The head of Investor Relations now reports directly to the Board Member Finance.

The investor relations events scheduled for fiscal year 2002 can be found in the financial calendar on the inside back cover.