

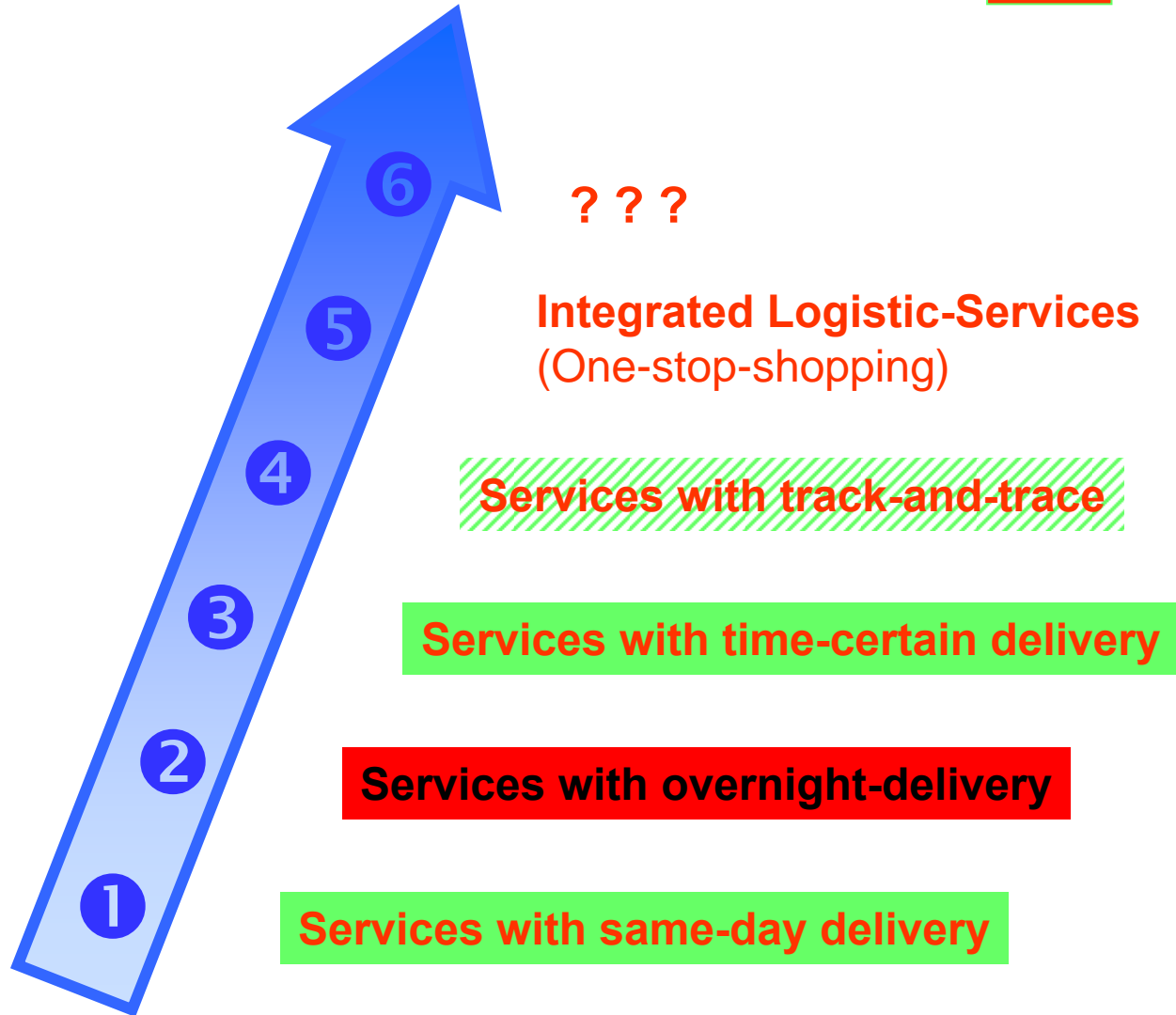
Liberalisation of the German mail market

Development in High Quality Services

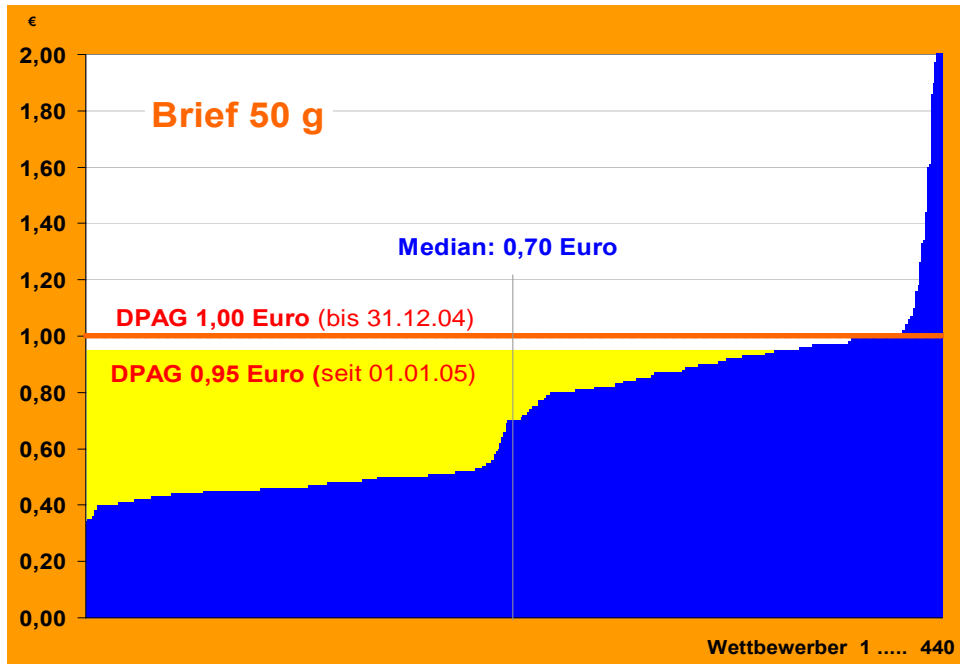
Quality, Specialising



No final judgement of Supreme Court on Higher Quality



Pricing Structure – 50g letter



Letter 50g (higher quality service)

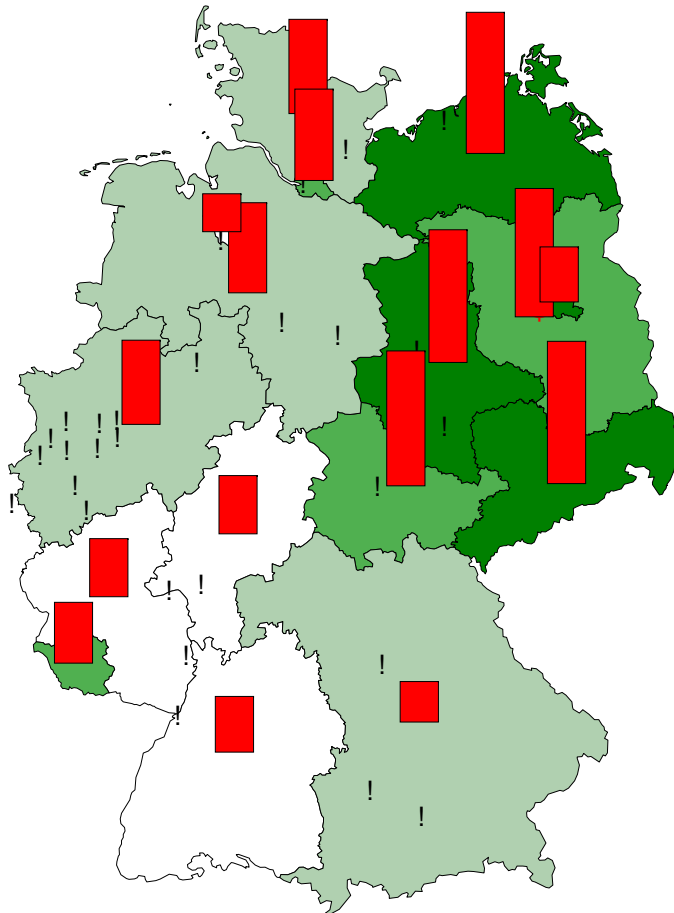
About 80 % of competitors have lower prices than DPAG (0,95 € From 01.01.05).

The pricing structure of the competitors shows, that almost 1/2 of them do not distinguish between letters up to 20g and letters from 21-50 (as DPAG).

Prices of 440 competitors

- **Minimum : 0,34 Euro**
- **Maximum : 1,97 Euro**
- **Median : 0,70 Euro**

Use of new business possibilities



■ = Licence density
(Licences per 1 Mio. Inhabitants)

■ = Share of employees at licence holders compared to all employees in this federal country
(the darker the higher the share.)

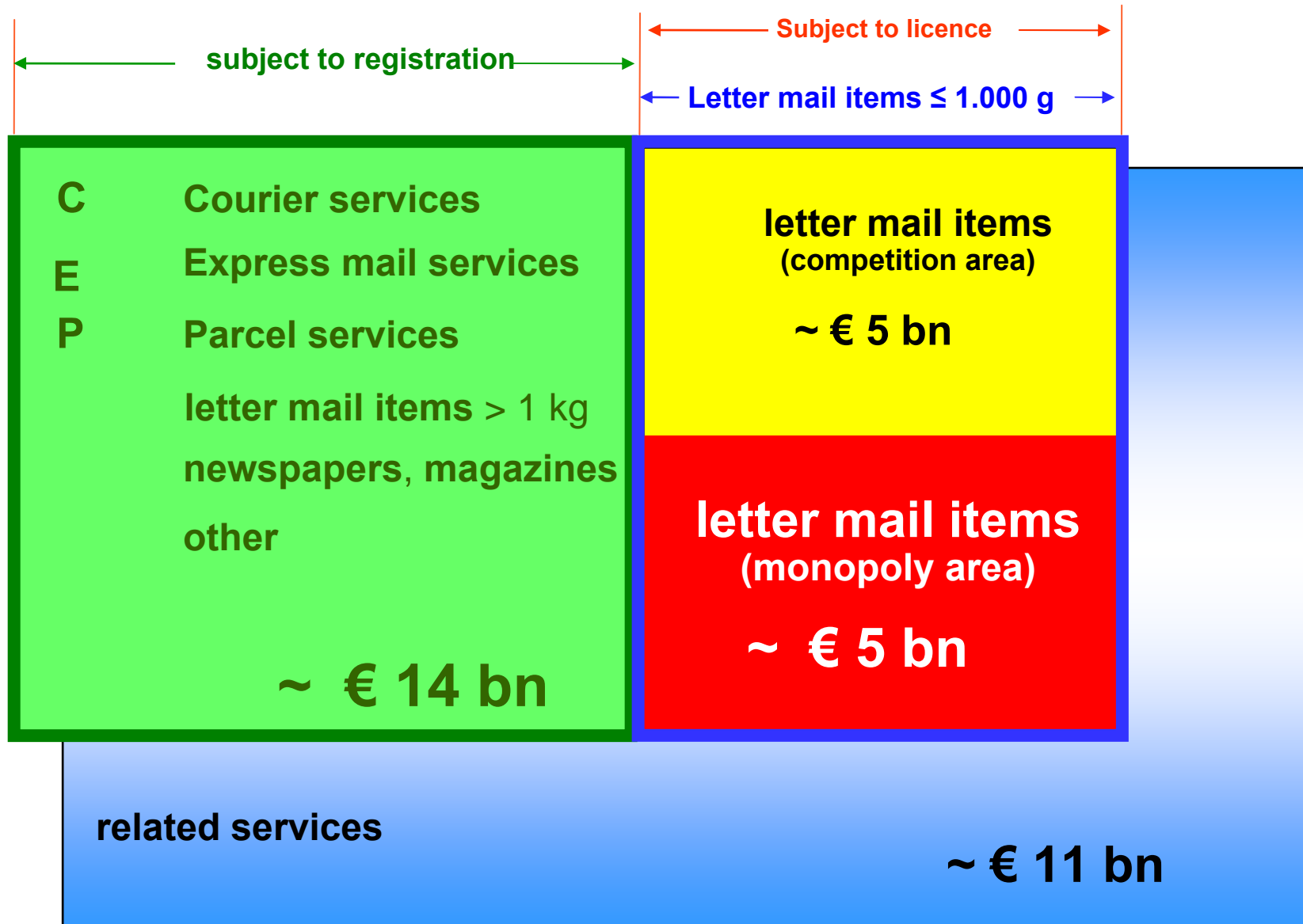
Especially in the new Federal Countries the new business possibilities are used. There as well the licence density as the share of employees is high.

The overwhelming part of jobs has not been created in metropolitan areas but in structural weak areas.

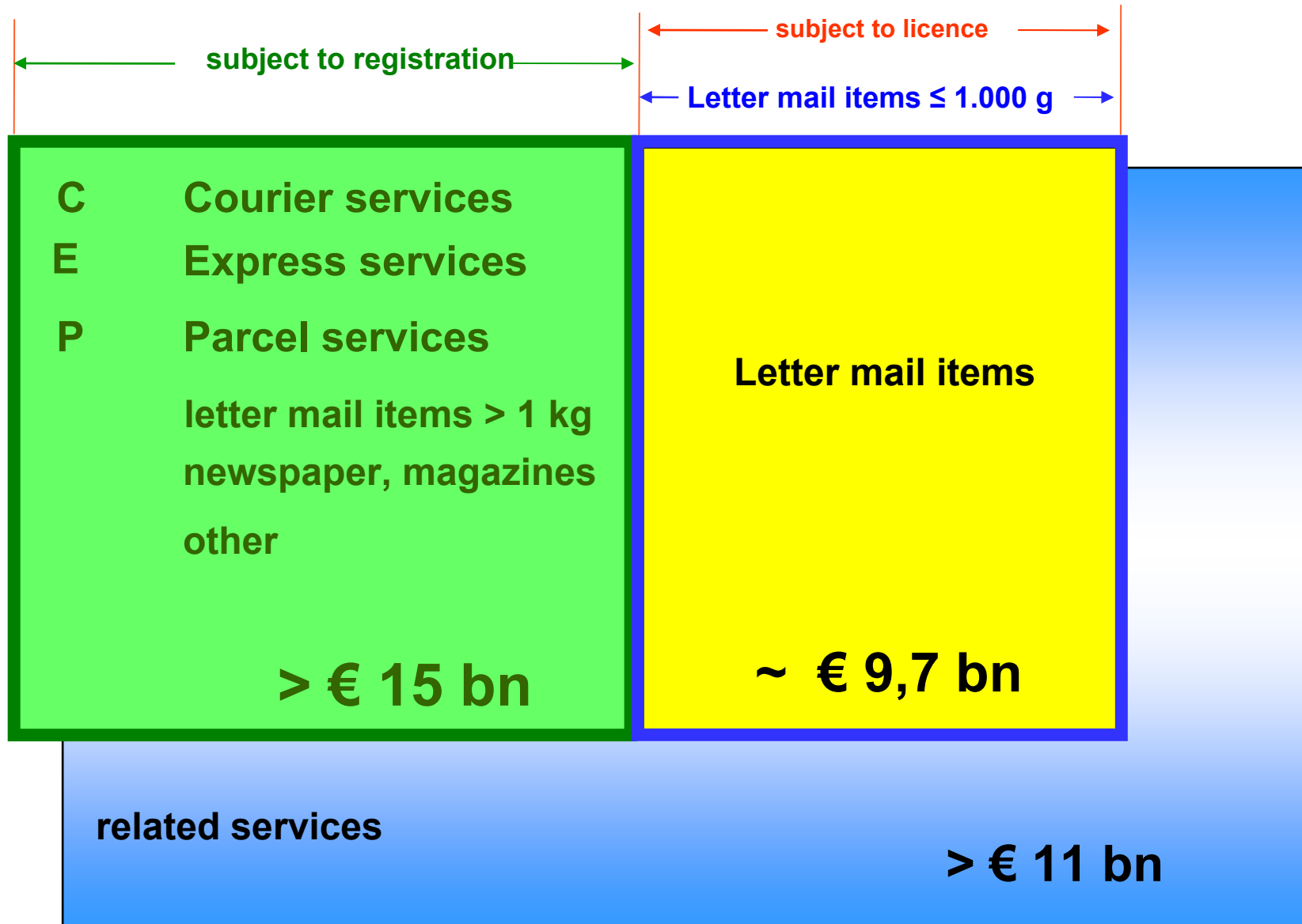
Experience from gradual market opening

- Understanding of
 - Requirements, needs and problems
 - Issues related to
 - Interconnection
 - Creation of networks
 - Joint ventures
 - Actions initiated by the incumbent
 - Resources of the NRA
 - Skills
 - Manpower
 - License grant
 - License control
 - Market observation

The postal market 2007



The postal market from 2008 onwards



Development 2008-2010

- Introduction of minimum wages in „posts“
 - 2008 – Mid 2009: Stand still / decrease
 - Bankruptcy of „PIN“
 - 2010: Minimum wages no longer applicable
- New Networks
 - P2:
 - Joint venture of established postal operators with origin in newspaper distribution
 - Mail Alliance:
 - Network of regional operators (TNT + big newspaper companies)

Development 2008-2010 (2)

	2007			2009		
	DPAG	Comp.	Total	DPAG	Comp.	Total
Volume	15,6	1,9	17,5	17,3	1,7	19,0
Turnover	8,8	1,1	9,9	9,4	1,1	10,5

Future developments

- Ruling on the application of VAT exemption by EC court in 2009.
- Amendment to the VAT law in Germany (enter into force: 1 July 2010)
 - Exempted from VAT are Universal Services (according to the Postal Directive):
 - Any of such exemption requires a statement by the VAT Authority that the postal provider assures to offer the Universal postal services (or parts of) in the whole territory.
 - Not exempted are services
 - based on individual contracts
 - based on the general terms and conditions, but with different quality or lower price than the common tariffs, which are accessible by everybody.
- Consequences
 - Deutsche Post AG will have to add VAT to their bulk mail products („infopost“)
 - Products of competitors (where VAT is already applied nowadays and which today are already cheaper) will be offered at the same (cheap) price as before
 - Customers will use (test) products of competitors to a greater extent
 - If the service offered by competitors is sufficient they will gain a (much) bigger market share in the future than today

Liberalisation of the German mail market

Thank you
for your attention!

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