

## Cash Flow Statement – How it works (Postbank at equity) (I)

January 1 to December 31			
€m	2005	2006	Absolute difference
<b>Net profit before taxes</b>	2,663	2,296	-367
The "net profit before taxes" starting point is adjusted for non-cash items and supplemented by cash flows not impacting income. (indirect calculation of operating CF)			
Net finance costs excluding net income from measurement of Postbank at equity = mainly interest expenses /. interest income: is to be taken out of operating CF due to the non-operative nature of the net finance costs item.	673	966	293
Net income from measurement at equity Pro-rata result of the Deutsche Postbank Group	-330	-663	-333
<b>EBIT</b>	<b>3,006</b>	<b>2,599</b>	<b>-407</b>
Depreciation/amortisation of noncurrent assets = depreciation, amortisation and write-downs of intangible assets (including goodwill), property, plant and equipment, and noncurrent financial assets; must be taken out as non-cash.	1,826	1,601	-225
Gains on disposal of noncurrent assets	-165	-164	1
Non-cash income and expense Relates primarily to depreciation, amortisation and write-downs in working capital; must be taken out as non-cash.	77	105	28
Change in provisions = changes in provisions excluding interest on provisions and changes from acquisitions. The interest on provisions is to be taken out of the changes, as this has already been eliminated via net interest income as non-operating expense. Changes from acquisitions shown via net cash used in investing activities. Changes in provisions to be taken out as non-cash.	-2,466	-1,055	1,411
Taxes paid = actual taxes paid; are to be included in net cash from operating activities in line with IAS 7.	-260	-251	9
<b>Net cash from operating activities before changes in working capital</b>	<b>2,018</b>	<b>2,835</b>	<b>817</b>
Inventories = changes in inventories excluding changes from acquisitions. Reason for adjustment: Increase in inventories => no earnings impact, but cash outflow Decrease in inventories => earnings impact, but no cash flow	17	-54	-71
Receivables and other assets = changes in receivables and other assets excluding changes from acquisitions. Reason for adjustment: Increase in receivables and other assets => earnings impact, but no cash inflow Decrease in receivables and other assets => no earnings impact, but cash inflow	-277	-865	-588
Liabilities and other items = changes in liabilities and other items excluding changes from acquisitions. Reason for adjustment: Increase in liabilities and other items => earnings impact, but no cash inflow Decrease in liabilities and other items => no earnings impact, but cash outflow	-43	262	305

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January 1 to December 31			
€m	2005	2006	Absolute difference
<b>Net cash from operating activities</b> (using indirect method)	1,715	2,178	463
Divestitures Notably sale of subsidiaries.	1,142	239	-903
Other non-current assets Sale of intangible assets, property, plant and equipment, and noncurrent financial assets (if not investments in companies).	521	925	404
	<b>1,663</b>	<b>1,164</b>	<b>-499</b>
Investments in companies Notably purchase of subsidiaries; purchase prices minus cash and cash equivalents acquired.	-4,135	-440	3,695
Other non-current assets Purchase of intangible assets, property, plant and equipment, and noncurrent financial assets (if not investments in companies).	-1,905	-1,813	92
	<b>-6,040</b>	<b>-2,253</b>	<b>3,787</b>
Interest received Primarily actual interest received.	226	86	-140
Postbank dividend	137	137	0
Current financial instruments Inflows from buying and selling securities (without consideration of acquisition-related changes).	154	-5	-159
<b>Net cash used in investing activities</b> (using indirect method)	<b>-3,860</b>	<b>-871</b>	<b>2,989</b>
Change in financial liabilities Assumption/repayment of various liabilities impacting cash.	-324	272	596
Dividend paid to Deutsche Post AG shareholders Dividend distribution of DPAG.	-556	-836	-280
Dividend paid to other shareholders	-8	-37	-29
Issuance of shares under stock option plan	65	124	59
Interest paid Actual interest paid	-384	-399	-15
<b>Net cash used in financing activities</b> (using indirect method)	<b>-1,207</b>	<b>-876</b>	<b>331</b>
Net change in cash and cash equivalents	-3,352	431	3,783
Effect of changes in exchange rates on cash and cash equivalents	-45	-38	7
Change in cash and cash equivalents associated with noncurrent assets held for sale Change by reclassification of company status (e.g. first-time full consolidation of existing associates).	0	-16	-16
Cash and cash equivalents at January 1	4,781	1,384	-3,397
<b>Cash and cash equivalents at December 31</b>	<b>1,384</b>	<b>1,761</b>	<b>377</b>