

DANZAS

Deutsche Post 

Public tender offer

of

Deutsche Post International B.V., Amsterdam

for all publicly-held

registered shares in Danzas Holding Ltd., Basle

with a nominal value of CHF 10 each

Offer price: CHF 590.– net for each registered share in Danzas Holding Ltd.
with a nominal value of CHF 10

Offer period: 19 January to 15 February 1999, 4 p.m.

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Danzas Holding Ltd. registered shares	Security number:	ISIN:	Telekurs ticker symbol:
• not notified for purchase	621 300	CH 000 621 300 0	DAZN
• notified for purchase	990 674	CH 000 990 674 1	DAZNE

Offer prospectus of 19 January 1999 (Translation)

United States of America Sales Restriction

The tender offer described herein is not being made in the United States of America (the "United States") and may be accepted only outside the United States. Offering materials with respect to the tender offer may not be distributed in or sent to the United States and may not be used for the purpose of solicitation of an offer to purchase any securities by anyone in any jurisdiction, including the United States, in which such solicitation is not authorised or to any person to whom it is unlawful to make such solicitation.

In the case of inconsistencies between the German original and the English and French translations thereof, the German version shall prevail.

Tender offer of Deutsche Post International B.V.

The logistics industry is embarking upon a rapid process of consolidation which transcends borders and products and will result in a significant intensification of competition both within Europe and worldwide. Globalisation brings with it a rapid expansion in demand for supply chain management and international logistics networks. Linked in with this is an increasing tendency towards the outsourcing of logistics services. In this changing market, it will primarily be the customer-oriented companies, offering fully integrated logistics services via a wide range of products and regions which are best able to survive.

Against this backdrop, Deutsche Post International B.V., Amsterdam (hereinafter "DPI"), a subsidiary of Deutsche Post AG, Bonn (hereinafter "Deutsche Post") is submitting the present tender offer. The product ranges of Deutsche Post and Danzas Holding Ltd. (hereinafter "Danzas") will complement each other and enable the combined Deutsche Post–Danzas group to become one of the world's leading providers of comprehensive logistics services, thereby meeting the increased demands of its customers.

The Deutsche Post tender offer has the support of the Board of Directors and Executive Board of Danzas. Danzas will continue to operate as an autonomous company and no change will be made to the management, company name or the location of the company headquarters in Basle. As the business activities of Deutsche Post and Danzas are complementary, there is no need for a restructuring.

A. Tender offer

1. Offer

Advance notice of the tender offer was published in the electronic media on 10 December 1998 and advertised in the print media on 15 December 1998 in accordance with Article 7 ff. of the Ordinance of the Takeover Board on Public Takeover Offers.

The tender offer applies to all publicly-held registered shares in Danzas with a nominal value of CHF 10 in accordance with Section B.3. of "Deutsche Post shareholding of Danzas".

2. Offer price

CHF 590.- net for each registered share in Danzas with a nominal value of CHF 10

The sale of Danzas registered shares deposited with banks in Switzerland is not subject to fees and taxes for the duration of the offer period and additional acceptance period. DPI bears the federal turnover tax and SWX stock exchange fees incurred.

The purchase price was fixed after a review of Danzas which *inter alia* comprised an analysis of Danzas' financial situation and earnings potential. The purchase price also takes the historical average stock market price into consideration. The Board of Directors of Danzas obtained an expert opinion on the purchase price (cf. Section F. "Fairness Opinion").

The purchase price constitutes a premium of 36% on the closing price of CHF 435 for Danzas registered shares prior to the announcement of the tender offer on 9 December 1998, or a premium of 47% on the average price for the six months preceding the announcement of the tender offer.

The price trend of Danzas registered shares on the Swiss Exchange is as follows (in CHF, adjusted in line with changes in capital):

	1994	1995	1996	1997	1998	1999 *
High	344	274	300	315	470 **	585
Low	226	174	225	244	283	579

* 1 to 13 January 1999

Source: Datastream

** High prior to notice of tender offer

Closing price prior to announcement of tender offer (9 December 1998) CHF 435

Closing price on 13 January 1999 CHF 585

3. Offer period

from 19 January to 15 February 1999, 4 p.m.

DPI reserves the right to extend the offer period one or more times. The extension of the offer period by more than forty trading days requires the prior consent of the Takeover Board.

4. Additional acceptance period

If the offer is successful DPI grants Danzas shareholders the right to accept the tender offer up to ten days after publication of the corresponding notice.

5. Conditions/ right of withdrawal

The tender offer is conditional on the following:

- Within the offer period (possibly extended), DPI is offered more than 80% of the outstanding Danzas registered shares including the Danzas registered shares already held by DPI but not including Danzas' own shares.

DPI reserves the right to declare that the tender offer has been successful even if condition a) is not fulfilled.

- b) The Danzas Extraordinary General Meeting of 18 February 1999 approves the change to § 7 (transferability of shares) and § 13 (voting rights) of the Articles of Association, thereby lifting the 7% restriction on share register entries and on the voting rights of individual shareholders.

Conditions a) and b) constitute suspensory conditions in accordance with Article 13, para. 1 of the Ordinance of the Takeover Board on Public Takeover Offers.

- c) The responsible competition authorities in Switzerland and abroad (Switzerland, European Union and USA) issue the necessary permits and/or release certificates for the takeover of Danzas by DPI.

Until the expiry of the (possibly extended) offer period, condition c) constitutes a suspensory condition in accordance with Article 13, para. 1 of the Ordinance of the Takeover Board on Public Takeover Offers. Following the expiry of the (possibly extended) offer period, condition c) constitutes a resolutive condition until completion of the tender offer, in accordance with Article 13, para. 4 of the Ordinance of the Takeover Board on Public Takeover Offers.

Should conditions a), b) or c) not be fulfilled by the end of the (possibly extended) offer period (or not be waived for the purposes of this tender offer), DPI is entitled to:

- (i) declare that the tender offer has been successful and postpone completion of the tender offer with the agreement of the Takeover Board, if condition c) is not fulfilled at that time (or not waived for the purposes of this tender offer); or
- (ii) extend the offer period for a specified period; such an extension to be made after consultation with the Takeover Board should the offer period exceed a total of forty trading days; or
- (iii) declare that the tender offer has failed.

DPI is further entitled to rescind a tender offer which has been successful at any time once the additional acceptance period has expired but prior to completion of the tender offer, if condition c) is not fulfilled and has not been waived for the purposes of this tender offer.

B. Information on the tendering party

1. DPI / Deutsche Post

The tendering party, DPI, with headquarters in Amsterdam, is a holding and financing company whose entire share capital of NLG 25,000,000 is held indirectly by Deutsche Post.

Deutsche Post is the largest postal and logistics company in Europe. It offers customers a wide range of services, from the traditional conveyance of letters and packages to the electronic transmission of mail, and integrated customer-oriented complete logistics solutions. Deutsche Post employs around 250,000 staff.

As part of its strategy, Deutsche Post adheres to the following key corporate objectives:

- to secure its position as market leader in the postal services sector in Germany
- to tap foreign postal services markets, in particular those in Europe and those for packages, by means of targeted holdings and co-operation agreements
- to develop international express services in conjunction with DHL International, in which Deutsche Post has a 25% stake
- to provide national and international logistics solutions and added value services in the haulage sector
- to be a leader in terms of service quality, even by international standards.

Deutsche Post has share capital of DEM 2,140 million divided into 42,800,000 bearer shares, with a nominal value of DEM 50 each. The share capital is owned entirely by the Federal Republic of Germany. Partial privatisation of Deutsche Post is planned for the Year 2000 by way of a stock market flotation.

Key financial figures (in DEM million)

	1996	1997	Change
Turnover	26,702	27,136	+1.6%
Operating income	576	752	+30.6%
Cash flow	1,921	2,244	+16.8%
Total assets	19,370	21,346	+10.2%
Shareholder capital	5,195	5,687	+9.5%

For further information please refer to the 1997 annual report of Deutsche Post, the 1997 annual financial statement of DPI or the Internet at: <http://www.deutschepost.de>. The abovementioned annual report and annual financial statement are available free of charge from Credit Suisse First Boston, Zurich (Tel. +41 1 333 31 02, Fax +41 1 333 35 93).

Persons acting in concert

In the context of the tender offer, Deutsche Post and all other companies under its control are acting in concert with DPI.

2. Purchase and sale of registered shares in Danzas

Since the announcement of the tender offer on 10 December 1998 Deutsche Post and the companies under its control (including DPI) have acquired 628,070 registered shares in Danzas, purchased exclusively on the stock market. The highest purchase price paid was CHF 582 per registered share in Danzas.

With the exception of these purchases, Deutsche Post and the companies under its control (including DPI) have not bought or sold any registered shares in Danzas either on or off the stock market during the last twelve months i.e. from 14 January 1998 to 13 January 1999. Furthermore, no option or conversion rights to acquire registered shares in Danzas were bought or sold either on or off the stock market during this period.

3. Deutsche Post shareholding of Danzas

Danzas has share capital of CHF 26,200,000, divided into 2,620,000 registered shares with a nominal value of CHF 10 each. As at 13 January 1999, Danzas held 153,240 of its own registered shares.

As at 13 January 1999, Deutsche Post and the companies under its control (including DPI) held 628,070 registered shares in Danzas, equivalent to 23.97% of the capital and voting rights in Danzas. Deutsche Post and the companies under its control (including DPI) do not hold any option or conversion rights to acquire registered shares in Danzas. This does not include the acquisition of option rights, as detailed in Section D. "Information on the target company" concerning the Danzas employee stock ownership plan.

The tender offer applies to all publicly-held registered shares in Danzas, the number of which is calculated as follows:

Number of outstanding registered shares in Danzas	2,620,000
• minus Danzas' own shareholding as at 13 January 1999 *	153,240
• minus Deutsche Post holding	628,070
Number of publicly-held registered shares in Danzas	<u>1,838,690</u>

* The number of shares held by Danzas may decrease owing to the exercise of option rights issued under the Danzas employee stock ownership plan.

C. Financing

The tender offer is being financed by Deutsche Post's own funds, which will be made available to DPI.

D. Information on the target company

Intentions of Deutsche Post with regard to Danzas

Deutsche Post intends to form Danzas – by means of internal and external growth – into a leading global logistics and freight company. Danzas will continue to operate as an autonomous company and no changes will be made to its management, company name or the location of the company headquarters in Basle. It will become the managing company for all activities in its field of business.

Agreements between Deutsche Post and Danzas, and its governing bodies and shareholders

Deutsche Post has concluded an agreement with the Board of Directors of Danzas concerning the conditions for the tender offer.

Within the framework of the Danzas employee stock ownership plan, Deutsche Post offers Danzas' members of middle management with subscription entitlement the opportunity to sell options to acquire registered shares in Danzas to Deutsche Post. This also applies to options to acquire registered shares in Danzas which are held by members of the Board of Directors of Danzas. The purchase price for the acquisition of options is equivalent to the purchase price for registered shares in Danzas.

Members who have resigned from the Board of Directors will receive their full entitlement for 1999. Deutsche Post has concluded an agreement with the former Chairman and Vice-chairman of Danzas regarding the conditions under which the members of the Board of Directors concerned may stand for re-election to the Board of Directors.

Deutsche Post has offered to continue the employment relationships of Danzas' senior management and has proposed a management retention programme, to be assessed on the basis of future profits. Other members of management were offered a special incentive programme, which should replace the former employee stock ownership plan.

There are no agreements in place between DPI, Deutsche Post and all other companies controlled by them, and Danzas, or its governing bodies and shareholders, other than those mentioned above.

Confidential information

DPI and Deutsche Post confirm that neither they nor the persons acting in concert with them have received confidential information on Danzas or the companies under its control which could have a decisive influence on the decision of the recipients of the tender offer.

E. Publication

A summary of the tender offer and all other publications concerning the tender offer will be published in German in the Neue Zürcher Zeitung, Schweizerische Handelsamtsblatt, Basler Zeitung, Finanz und Wirtschaft and the Handelszeitung, and in French in Le Temps and AGEFI. The summary will also be supplied to Telekurs, Bloomberg and Reuters.

F. Fairness opinion

Warburg Dillon Read, the investment banking division of UBS AG, Zurich, was appointed by the Board of Directors of Danzas, to give their opinion on the offer price. The Fairness Opinion confirms, that the proposed purchase price of CHF 590 per registered share in Danzas is appropriate in financial terms.

The English text of the Fairness Opinion can be obtained free of charge from Credit Suisse First Boston, Zurich (Tel. +41 1 333 31 02, Fax +41 1 333 35 93).

G. Report by the review body pursuant to Article 25 of the Federal Act on Stock Exchanges and Securities Trading

As auditors recognised by the supervisory authority to review public tender offers in accordance with the Federal Act on Stock Exchanges and Securities Trading (hereinafter "Stock Exchange Act"), we have reviewed the offer prospectus and the summary, taking into consideration the exemption granted by the Takeover Board. The report of the Board of Directors of the target company does not form part of our review.

The offer prospectus and the summary are the responsibility of the tendering party. Our responsibility is to express an opinion on these two documents based on a review.

Our review has been conducted in accordance with the standards of the profession, which require that a review of an offer prospectus and of the summary be planned and performed to verify their formal completeness in conformity with the Stock Exchange Act and the Ordinance and to obtain reasonable assurance about whether the offer prospectus and the summary are free from material misstatement. We have checked some of the material information thoroughly, and some on a sample basis. Furthermore, we have verified compliance with the Stock Exchange Act and the Ordinance. We believe that our review provides a reasonable basis for our opinion.

In our opinion, the offer prospectus and the summary comply with the Stock Exchange Act and the Ordinance. In particular:

- the present offer prospectus and the summary are complete and accurate;
- the recipients of the offer are treated equally and, in particular, the exchange ratio between the price of the registered shares and the remuneration for options from the employee stock ownership plan is appropriate;
- the financing of the offer is guaranteed and the necessary funds are available;
- the regulations governing statutory offers have been adhered to, in particular those concerning the offer price.

Basle, 13 January 1999

PriceWaterhouseCoopers AG

Hansjörg Sonderegger Dr. Richard Schindler

H. Report of the Board of Directors of Danzas pursuant to Article 29 of the Federal Act on Stock Exchanges and Securities Trading and Articles 29–32 of the Ordinance of the Takeover Board on Public Takeover Offers

A. Recommendation

At its meeting of 7 December 1998, the Board of Directors of Danzas Holding Ltd. decided unanimously to recommend to Danzas Holding Ltd. shareholders that they accept an offer from Deutsche Post AG. The Board of Directors further invites all shareholders to tender their shares for purchase by Deutsche Post International B.V., Amsterdam, within the offer period.

B. Rationale

Having been informed by Deutsche Post AG of the latter's intentions, the Board of Directors had to issue a tender offer for all shares in Danzas Holding AG, giving due and detailed consideration all the different possible courses of action in such circumstances.

In evaluating the outcome of negotiations, the Board of Directors came to the following conclusions, even after taking into account the fact that the significant improvement in group earnings detailed in the letter to shareholders of 25 August 1998 will in all probability come to pass:

- (i) the strategic plan which had already been accepted by the Board and which was in the process of implementation offered the company good opportunities for growth and earnings
- (ii) it would, however, be several years before the company's financial results could, with any certainty, be expected to produce an improvement in the value of the company's shares which would exceed that currently being offered by Deutsche Post AG.

The prospects for the company and its employees under the management of Deutsche Post AG were the key factor for the Board of Directors. Deutsche Post AG's strategic plans for the company are largely similar to those drawn up by Danzas Holding Ltd. itself. Deutsche Post AG has both the means and – according to the necessary clarifications obtained – the clear intention, embodied in firm assurances, to pursue the sustained development of the company without making restructuring-related staff cuts. Furthermore, the logistics division would be retained and expanded by Danzas as a management company, based in Basle. It is planned that the current Danzas CEO, Mr Peter Wagner, will join the group management board of Deutsche Post AG and take responsibility for logistics, since this area in particular covers all Danzas business activities. The Board of Directors was also successful in negotiating with Deutsche Post AG a substantial increase in the price offered to Danzas shareholders.

The Board of Directors regrets that a long period of independent business activity is coming to an end for Danzas. Nonetheless, extensive consideration leads it to the conclusion that, in the present circumstances, the company, its employees and its owners will benefit if the shareholders accept the CHF 590 per share offered by Deutsche Post International B.V.

In taking its decision, the Board of Directors was advised on financial issues by Warburg Dillon Read. Its assessment of the offer price was supported by the opinion of Warburg Dillon Read that, in financial terms, the bid represents an appropriate and fair offer to shareholders of Danzas Holding AG.

The Warburg Dillon Read analysis took into account the company's present circumstances, Danzas' future growth potential and the associated risks, as well as the premium offered. When the Board decision was taken this premium represented 40% of the current share price.

Warburg Dillon Read submitted a formal "Fairness Opinion" to the Board of Directors of Danzas Holding Ltd. at the Board meeting of 22 December 1998.

C. Conflicts of interest and the intentions of major shareholders

Deutsche Post AG holds a minority stake in a company in which the family of director Christoph A. Schoeller also has a shareholding. Mr Schoeller therefore abstained from the decision of the Board of Directors on the recommendation or otherwise of the offer.

In order to ensure management continuity at Danzas Holding AG, it is planned that Dr. Hanspeter Brändli and Dr. Georg Stucky will join the Board, as Deputy Chairman and Member of the Board respectively, once the takeover has been completed, whereby these mandates are being continued on the same terms and conditions as previously.

We would also point out that conflicts of interest might arise with regard to the offers described in section D of the offer prospectus which were made by Deutsche Post AG to members of group management. These persons were, however, not involved in the decision taken by the Board of Directors.

The shares offered by the Members of the Board of Directors will be acquired by Deutsche Post International B.V., Amsterdam, on the same terms as apply to shares offered for public sale.

As of 9 December 1998, no single shareholder or group of shareholders held more than 5% of voting rights.

Basle, 22 December 1998

Danzas Holding Ltd.

Dr. Hanspeter Brändli
Chairman of the Board of Directors

I. Recommendation of the Takeover Board

The tender offer was submitted to the Takeover Board prior to the publication of this document. In its recommendation of 15 January 1999, the Takeover Board found:

- the offer by Deutsche Post International B.V. complies with the Stock Exchange Act;
- the Takeover Board grants the following exemption from the Takeover Ordinance (Article 4): waiver of duty to implement a cooling-off period (Article 14, para. 1).

J. Execution of the tender offer

- 1. Information/registration** **Safekeeping account holders**
Safekeeping account holders with Danzas registered shares will be informed of the tender offer by the custodian bank. They will be asked to proceed as instructed by this custodian bank.
- Persons keeping their shares at home**
Shareholders who keep their Danzas registered shares at home or in a bank safe will be informed of the tender offer through the Danzas share register. They will be requested to complete and sign the "Declaration of acceptance and transfer" form and submit it with the appropriate (*non-cancelled*) share certificate(s) directly to their bank or to an acceptance and paying agent by 15 February 1999, 4 p.m. at the latest.
- 2. Bank responsible for handling the tender offer**
DPI has mandated Credit Suisse First Boston, Zurich, to execute the tender offer.
- 3. Acceptance and paying agents**
Credit Suisse First Boston, Zurich
all Swiss branches of Credit Suisse
- 4. Stock market trading**
Danzas registered shares will be traded as follows on the Swiss Exchange from the trading day following the Danzas Extraordinary General Meeting until four trading days prior to the completion of the tender offer (payment of purchase price):
- Danzas registered shares each with a nominal value of CHF 10
- first line: shares not notified for purchase
security number 621 300
 - second line: shares notified for purchase
security number 990 674
- No second-line notified shares will be traded from 19 January 1999 (start of offer period) until the date of the Danzas Extraordinary General Meeting, planned for 18 February 1999.
- Notified shares (security number 990 674) are subject to regulations on safe-keeping and SEGA.
- 5. Payment of purchase price**
If the tender offer is successful, the purchase price for Danzas registered shares which are notified during the offer period and additional acceptance period will be paid as at value date 12 March 1999. (The right to extend the offer period or to postpone completion of the tender offer in accordance with Section A.3. "Offer period" and Section A .5. "Conditions/right of withdrawal" is reserved.)
- 6. Tax and settlement of costs**
During the offer period and additional acceptance period, no fees or charges will be levied on the sale of Danzas registered shares held with banks in Switzerland.
- DPI will pay the federal turnover tax due on the sale, as well as the stock exchange charges levied by SWX.
- 7. Delisting or invalidation of Danzas registered shares**
If the number of Danzas registered shares still in public ownership after the tender offer means that normal trading cannot be ensured, consideration will be given to the delisting of Danzas registered shares on the Swiss Exchange.

If DPI holds (directly or indirectly) more than 98% of Danzas voting rights upon expiry of the offer period, DPI or a party or parties appointed jointly will apply to declare the remaining securities invalid under Article 33 of the Federal Act on Stock Exchanges and Securities Trading.

8. Applicable law and place of jurisdiction

The tender offer and all mutual rights and obligations arising from it are subject to **Swiss law**. The exclusive place of jurisdiction is the Commercial Court of the Canton of **Zurich**.

K. Schedule

19 January 1999	Start of offer period
15 February 1999	End of offer period *
18 February 1999	Danzas Extraordinary General Meeting
22 February 1999	Start of additional acceptance period *
5 March 1999	End of additional acceptance period *
12 March 1999	Payment of purchase price *

* DPI reserves the right to extend the offer period on one or more occasion(s) or to postpone the completion of the tender offer under the terms of Section A.3. "Offer period" and Section A.5. "Conditions/right of withdrawal".

Bank responsible for handling the tender offer:

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