

Deutsche Post DHL Investor Relations

September 2010



Agenda

Review H1/ Outlook FY 2010

Financials Q2 2010

Outlook

Highlights H1 2010

Strong business improvement continues



- Top line growth consistent with economic recovery
- Achieved cost savings have proved sustainable
- Position in high-growth markets shows significant benefits
- Major portfolio steps completed
- Strategic initiatives well under way

Underlying EBIT guidance increased

Performance Summary H1 2010

Guidance increased

€m	H1 2010	Chg.	Q2 2010	Chg.
Revenue	24,811	9.9%	12,795	15.6%
Organic revenue ⁽¹⁾		6.7%		10.3%
Underlying EBIT	1,069	87.9%	503	95.7%

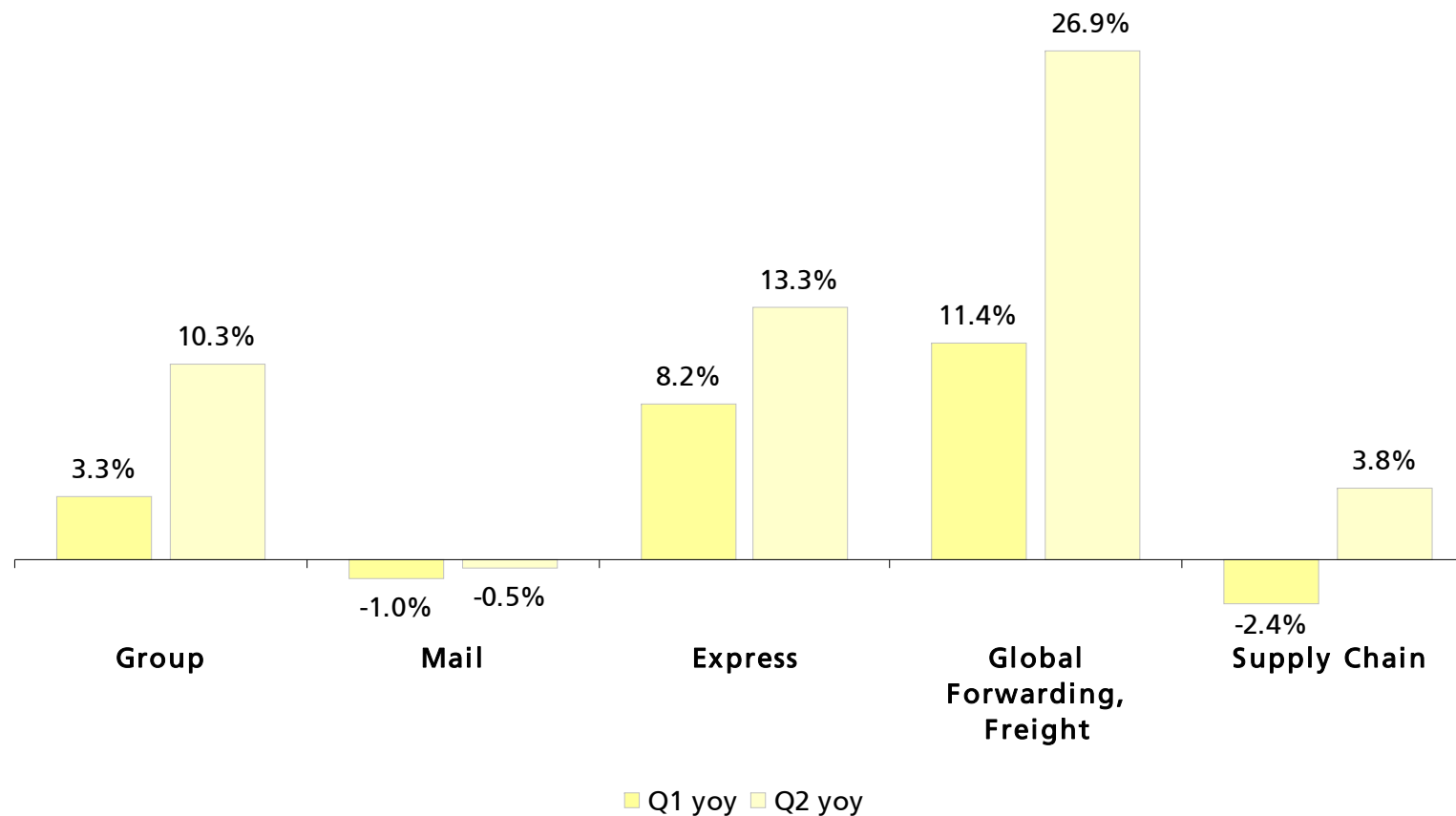
Underlying group EBIT guidance

Previous	€1.6 - <u>1.9</u> bn
New	€1.9 - 2.1bn

⁽¹⁾ Reported revenue adjusted for FX effects and inorganic effects like acquisitions/divestments

Quarterly organic revenue⁽¹⁾ development

- Strong organic growth in EXPRESS & GLOBAL FORWARDING, FREIGHT
- Lower than expected decline in MAIL



⁽¹⁾ Reported revenue adjusted for FX effects and inorganic effects like acquisitions/divestments

Highlights MAIL in H1 2010



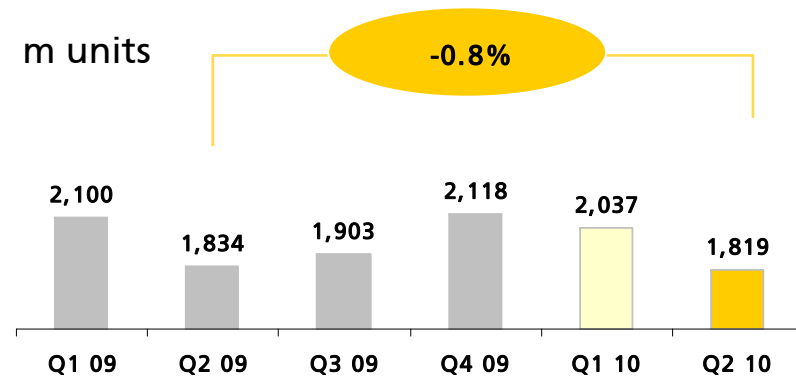
€m	H1 2009	H1 2010	reported chg.	organic chg.
Revenue	6,695	6,652	-0.6%	-0.8%

Milestones

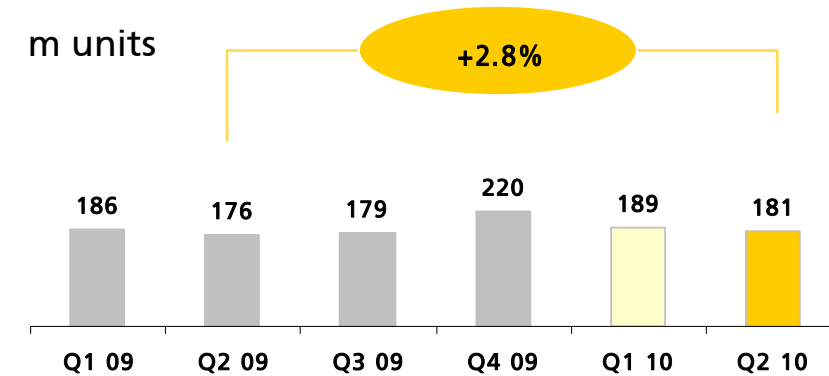
- Successful launch of E-Postbrief
- New German VAT regulation implemented
- Significant investment in new technology
- Agreement to transfer additional 277 retail outlets to Postbank

Key volume trends

Mail Communication



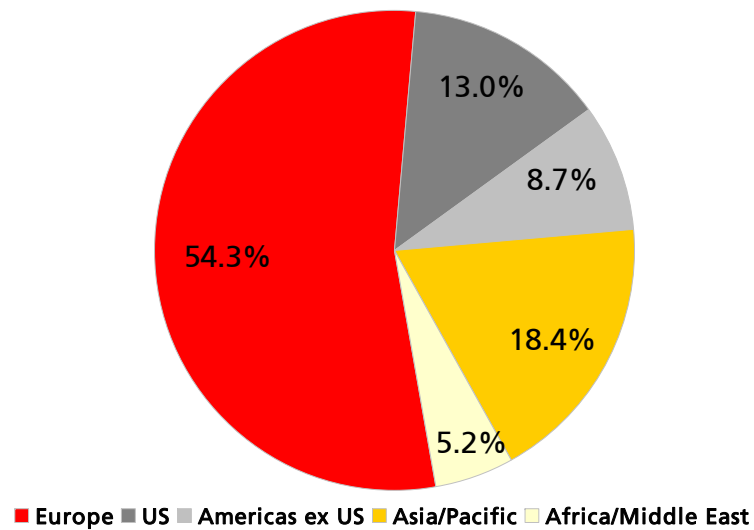
Parcel



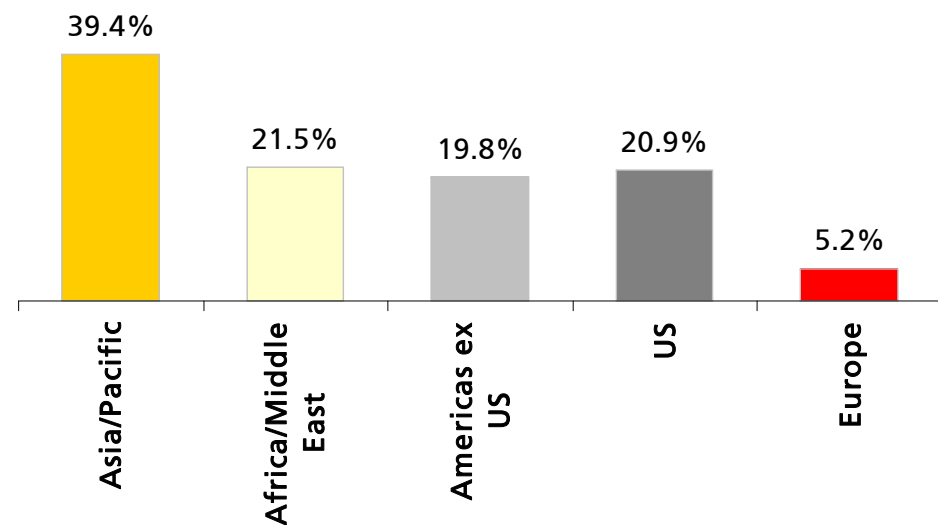
Overall performance DHL: Revenue split (by region)

DHL with unparalleled presence in fast growing regions

DHL H1 2010 revenue by region



DHL H1 2010 revenue growth by region yoy



Highlights EXPRESS in H1 2010



€m

	H1 2009	H1 2010	reported chg.	organic chg.
Revenue	4,810	5,488	14.1%	10.8%

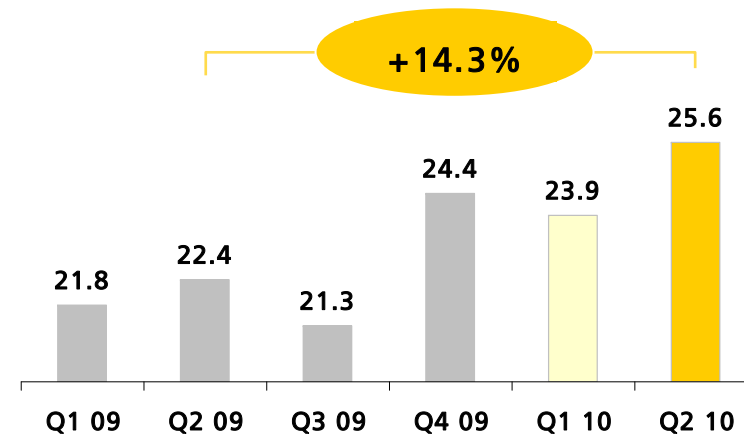
Milestones

- Major restructuring steps completed with divestiture of Day Definite Domestic businesses in UK and France
- Solid recovery of TDI⁽¹⁾ and TDD⁽¹⁾ volumes and weight
- Refocused on growth and quality
- Significant new global business wins (e.g. Invensys and Parker Hannifin)

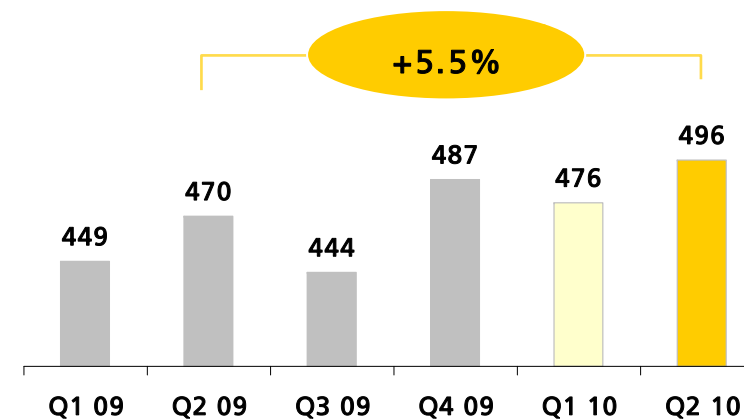
⁽¹⁾ TDI = Time Definite International, TDD = Time Definite Domestic

Key volume trends

Time definite International (TDI) - Revenues per day⁽²⁾ in €m



Time definite International (TDI) - Shipments per day '000s



⁽²⁾ Currency translation impacts are eliminated. Hence, 2009 and 2010 data are aggregated with the same currency rate

Highlights FORWARDING, FREIGHT in H1 2010



€m

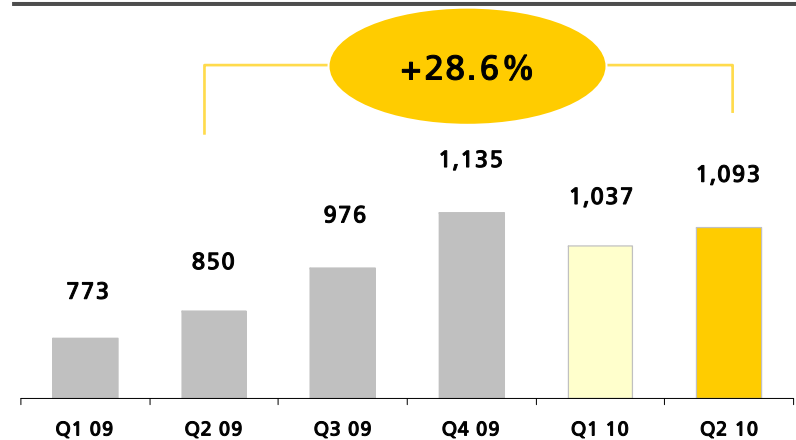
	H1 2009	H1 2010	reported chg.	organic chg.
Revenue	5,410	6,728	24.4%	19.0%

Milestones

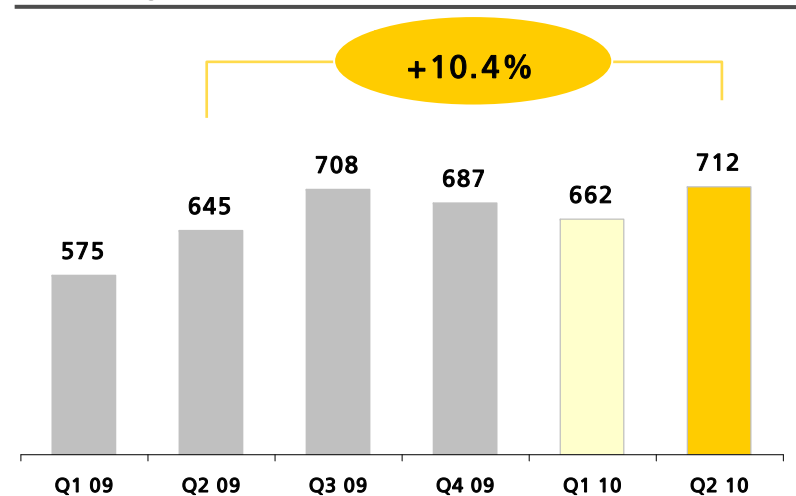
- Strong revenue growth due to customer up-trading as well as continuing increases of freight rates and fuel cost
- Additionally, significant new business wins (e.g. new global partnership with DELL for global air & ocean freight; global distribution of new Mercedes Benz Gullwing sports car)
- Continued strict cost management

Key volume trends

Air Freight '000s Tons



Ocean Freight '000s TEU⁽¹⁾



⁽¹⁾ Twenty Foot Equivalent Unit

Highlights SUPPLY CHAIN in H1 2010



€m	H1 2009	H1 2010	reported chg.	organic chg.
Revenue	6,206	6,517	5.0%	0.7%

Milestones

- Despite the loss of Quelle business, revenue is improving with growth accelerating in Q2
- New business of around €260m in annualized revenue in Q2 respectively €500m in H1
- Revenue improvement came from an upturn in existing business activities and from new business wins across all regions

Business win examples



- DHL Slovakia: In-plant logistics for VW assembly plant in Bratislava
- DHL Brazil: Winner of VW Best-in-2009 Supply Award in logistics and transportation



DHL UK:
Delivery to retailers of regional distribution network
(5-year contract: €43m)

Priority in H2 2010: Continue executing Strategy 2015

Mail

- Successfully introduce E-Postbrief
- Manage and monitor new VAT introduction
- Continue core business transformation

DHL

- Leverage further growth potential (regions, sectors, customers, products)
- Successfully manage peak season
- Continue simplifying customer experience

Maintain cost focus

Capital Markets Day (23 November 2010, Frankfurt)

Agenda

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Group P&L continuing operations Q2 2010

Further positive operational improvement

€m

	Q2 2009	Q2 2010	Chg.
Revenue	11,070	12,795	15.6%
Reported EBIT	109 ⁽¹⁾	253	132.1%
Underlying EBIT	257 ⁽¹⁾	503	95.7%
Financial result	-8	-142	n.m.
Taxes	-21	-18	14.3%
Consolidated net profit ⁽²⁾	66	81	22.7%
EPS (in €)	0.06	0.07	16.7%

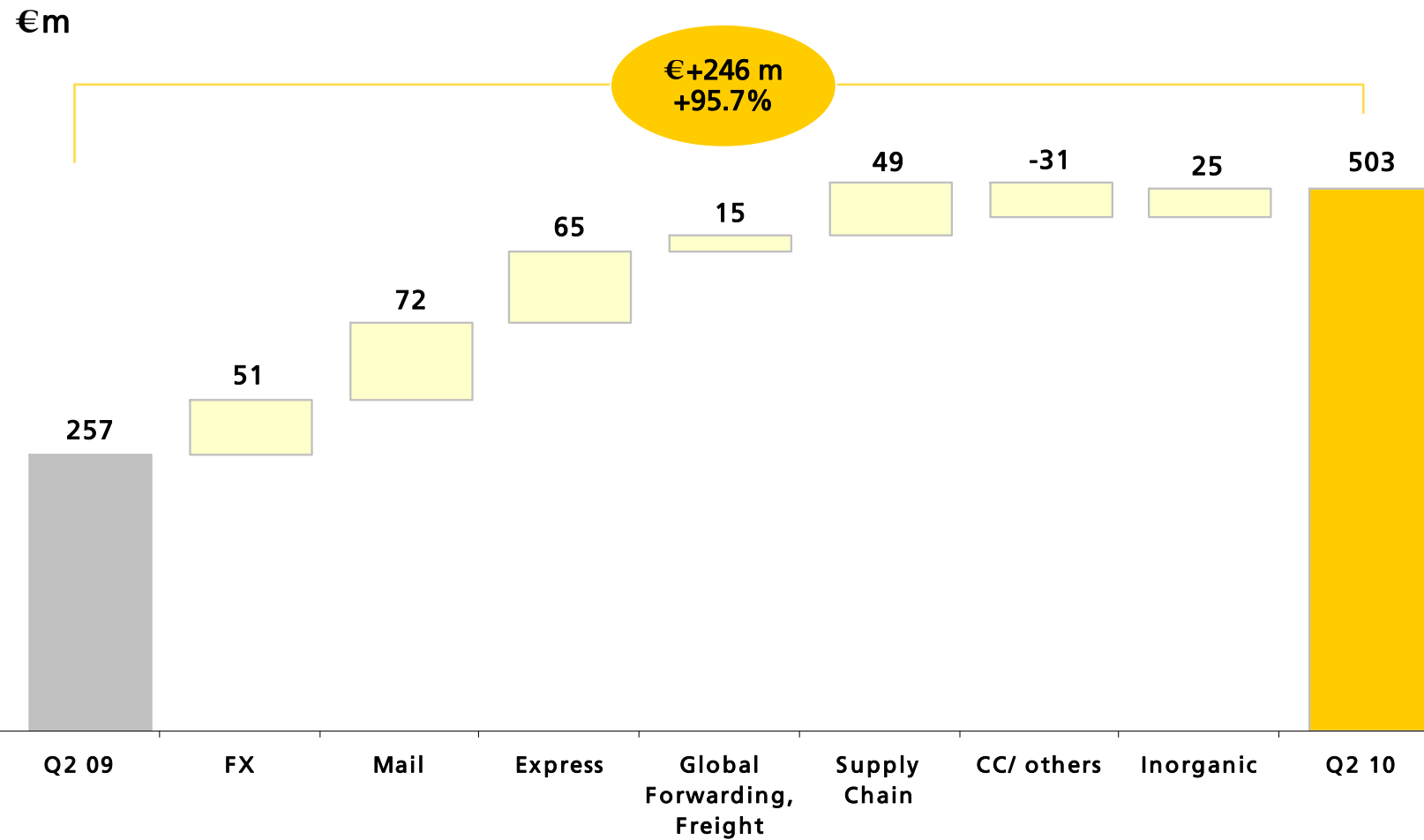
- Overall strong revenue development (+10.3% organic) driven by DHL and stable revenues in Mail. FX effects contribute €644m in the quarter
- All divisions contributed to underlying EBIT improvement driven by increased volumes and continued cost discipline
- Reported EBIT includes charges mainly related to the sale of our French domestic Express business
- Q2 10 Financial result was only marginally impacted (€-22m) by Postbank transaction effects compared to a positive impact of €123m last year

⁽¹⁾ Includes €40m charges related to Arcandor/Quelle

⁽²⁾ Attributable to Deutsche Post AG shareholders

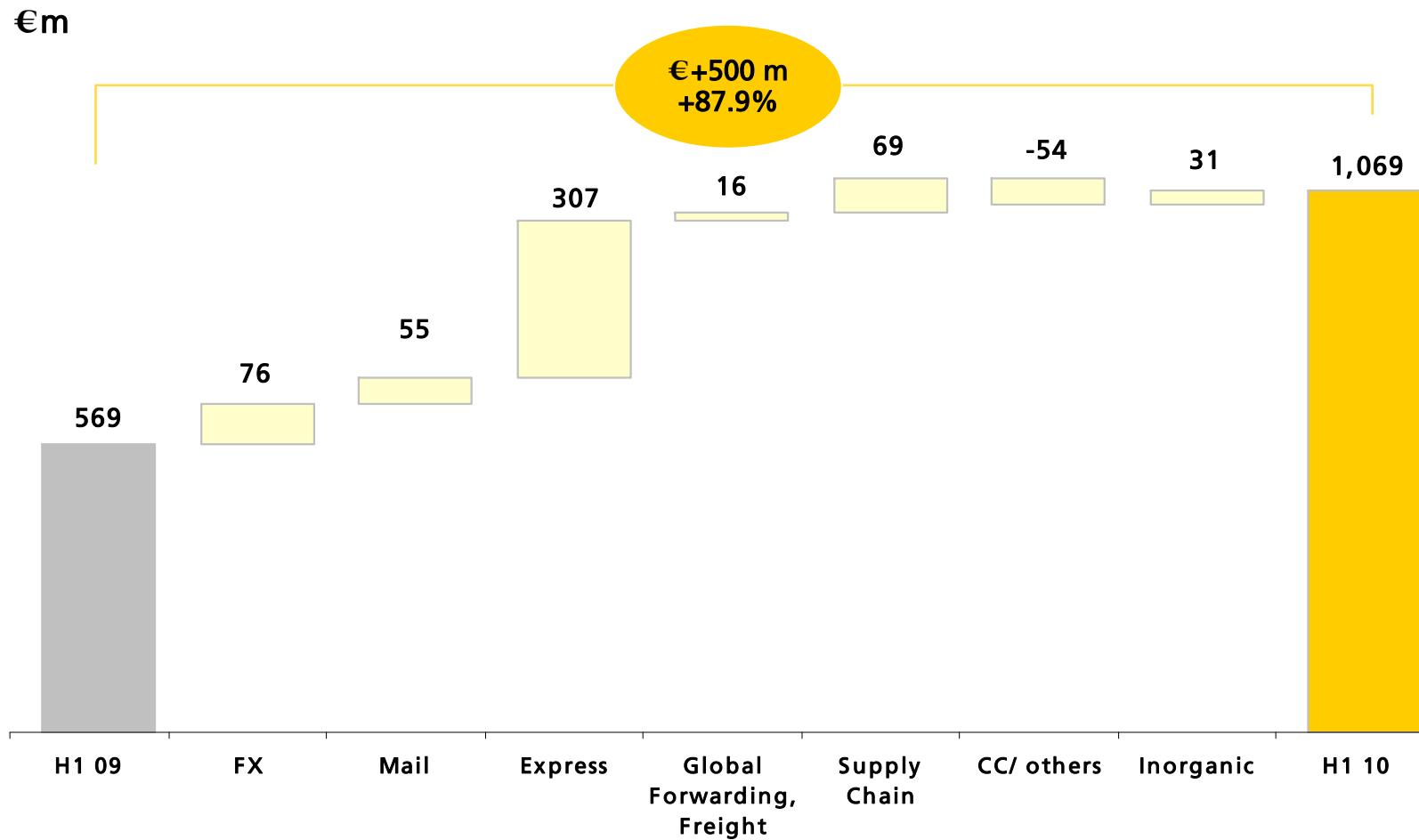
Underlying EBIT development Q2 2010

Very strong EBIT growth in Q2 driven by all business units



Underlying EBIT development H1 2010

Very strong EBIT growth in H1 with main contribution from Express



Underlying operating free cash flow Q2 2010

Solid improvement in cash flow position despite increased working capital needs

€m	Q2 2009	Q2 2010
Cash from operating activities before changes in WC (as reported)	22	450
Changes in Working Capital	24	-85
Net cash from operating activities after changes in WC (as reported)	46	365
Restructuring cash out ⁽¹⁾	-382	-135
Underlying operating cash flow after changes in WC	428	500
Cash spend for PP&E ⁽²⁾	-272	-255
Underlying operating free cash flow	156	245

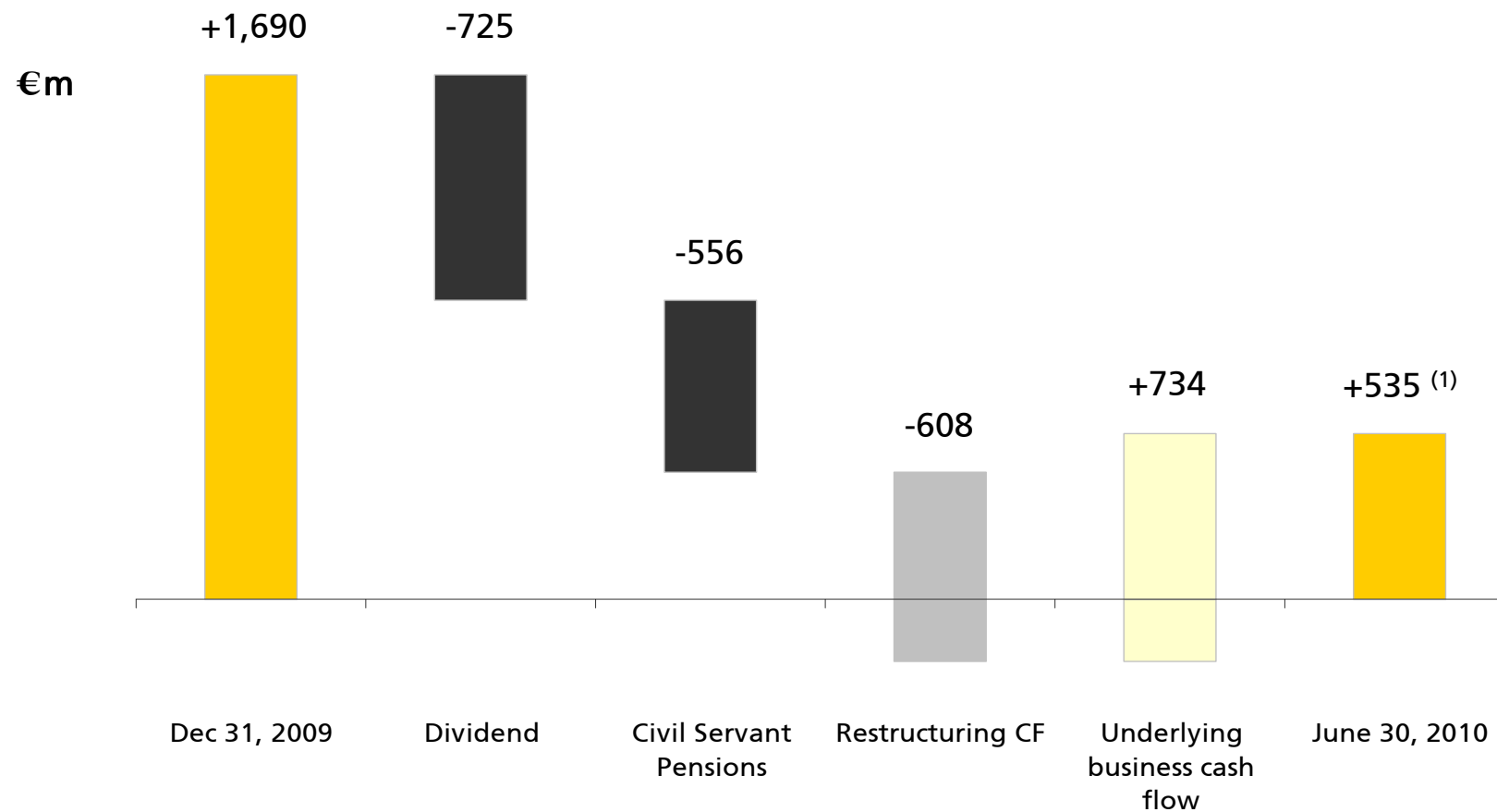
- Increased business and lower restructuring cash out flow led to strong **growth in operating cash flow** ⁽¹⁾
- **Working capital cash outflow** curtails quarterly cash flow improvement
- Nonetheless underlying operating free cash flow increased strongly by 57%

⁽¹⁾ Restructuring cash out flow 2010 excludes Express divestitures in France and UK

⁽²⁾ PP&E = property, plants & equipment

Net debt (-) / liquidity (+) H1 2010

Net financial liquidity still favourable



⁽¹⁾ Adjusted for mandatory exchangeable bond (€-2,732m) and cash collateral on put options (€-1,223m) as well as the effects of the net valuation of the financial derivatives related to the Postbank transaction (€2,100m)

MAIL – Divisional results overview Q2 2010

Strong quarterly performance

€m	Q2 2009	Q2 2010	Chg.
Revenue	3,209	3,206	-0.1%
Reported EBIT	150 ⁽¹⁾	241	60.7%
Underlying EBIT	171 ⁽¹⁾	243	42.1%
Operating Cash Flow	238	272	14.3%
Capex	70	112	60.0%

- Revenues flat yoy due to one additional working day, sound increase in Parcel Germany despite lost Quelle business
- Strong EBIT performance due to strict cost management and increasing Parcel contribution
- Cash conversion rate positive
- Capex increased due to investments in state-of-the-art sorting equipment

⁽¹⁾ Includes €15m charges related to Arcandor/Quelle

EXPRESS – Divisional results overview Q2 2010

Underlying EBIT margin continues to improve to now 6.9%

€m	Q2 2009 ⁽¹⁾	Q2 2010	Chg.
Revenue	2,407	2,868	19.2%
Reported EBIT	-51	-30	41.2%
Underlying EBIT	65	198	204.6%
Operating Cash Flow	-173	255	n.m.
Capex	88	63	-28.4%

- **Revenues** increased due to continued business recovery and despite UK deconsolidation effects
- **Underlying EBIT** grew strongly due to growing volumes and the significantly reduced cost base
- **Reported EBIT** includes charges related to the sale of our French domestic Express business
- Sound improvement of **operating cash flow** due to strong EBIT contribution and reduced restructuring cash outflow

⁽¹⁾ Prior year numbers restated due to the shift of Sweden domestic business from Express to Freight

FORWARDING, FREIGHT – Divisional results overview Q2 2010

Continued revenue and EBIT recovery

€m	Q2 2009 ⁽¹⁾	Q2 2010	Chg.
Revenue	2,663	3,611	35.6%
Reported EBIT	68	99	45.6%
Underlying EBIT	79	102	29.1%
Operating Cash Flow	151	15	-90.1%
Capex	16	19	18.8%

- **Revenues** increased due to higher volumes in all parts of the business as well as higher freight rates
- Ongoing cost discipline and higher productivity continue to drive **EBIT**
- Although easing, pressure from the time lag in customer price adjustments still **burdens gross profit and EBIT performance**
- Sharp decrease in **operating cash flow** due to net working capital increase related to volume growth

⁽¹⁾ Prior year numbers restated due to the shift of Sweden domestic business from Express to Freight

SUPPLY CHAIN – Divisional results overview Q2 2010

EBIT improved significantly - Measures to improve profitability successful

€m	Q2 2009	Q2 2010	Chg.
Revenue	3,061	3,387	10.7%
Reported EBIT	16 ⁽¹⁾	55	243.8%
Underlying EBIT	16 ⁽¹⁾	72	350.0%
Operating Cash Flow	26	-29	n.m.
Capex	39	49	25.6%

Contracts won – Annualized revenue Supply Chain

	Q2/09	Q2/10
New gains	250	260
Renewal rate	92%	90%

- Despite the loss of the Quelle business revenues grew due to increased volume and new business wins
- Increased profitability across all regions and the absence of Arcandor related charges lead to substantially increased EBIT
- Operating cash flow turned negative due to restructuring and Arcandor related cash out and working capital outflow
- Sound new business wins and continued high renewal rate supported by an improving economic climate

⁽¹⁾ Includes €25m charges related to Arcandor/Quelle

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Financials Q2 2010

Outlook

Underlying EBIT Full-Year 2010

Underlying EBIT guidance lifted due to stronger than expected performance of DHL units
(check = confirmed)

Group	€1.9 – 2.1bn	increased
Mail	€1.0 – 1.2bn	✓
DHL divisions	~ €1.3bn	increased
Corporate Center / others	~ €-0.4bn	✓


- Reported EBIT expected to grow over proportionally in 2010 due to significantly lower restructuring expenses ✓
- Non-recurring restructuring expenses reduced to ~ €350m⁽¹⁾ in 2010 ✓
- Capex expected to increase slightly to around €1.4bn ✓
- Cash flow expected to be impacted by around €1.0bn related to our restructuring programs ✓
- Net profit above 2009 level ✓

⁽¹⁾ e.g. Express UK and Express France

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