

Capital Markets Day 2010
Winning the future for MAIL

Jürgen Gerdes, MAIL

Frankfurt, 23 November 2010

GENERAL EXPECTATIONS FOR MAIL BUSINESSES?

**Milk the cash-cow
until its dry?**

Die fast:
Immediate close-
down?

Future of
**Universal Service
Obligation?**

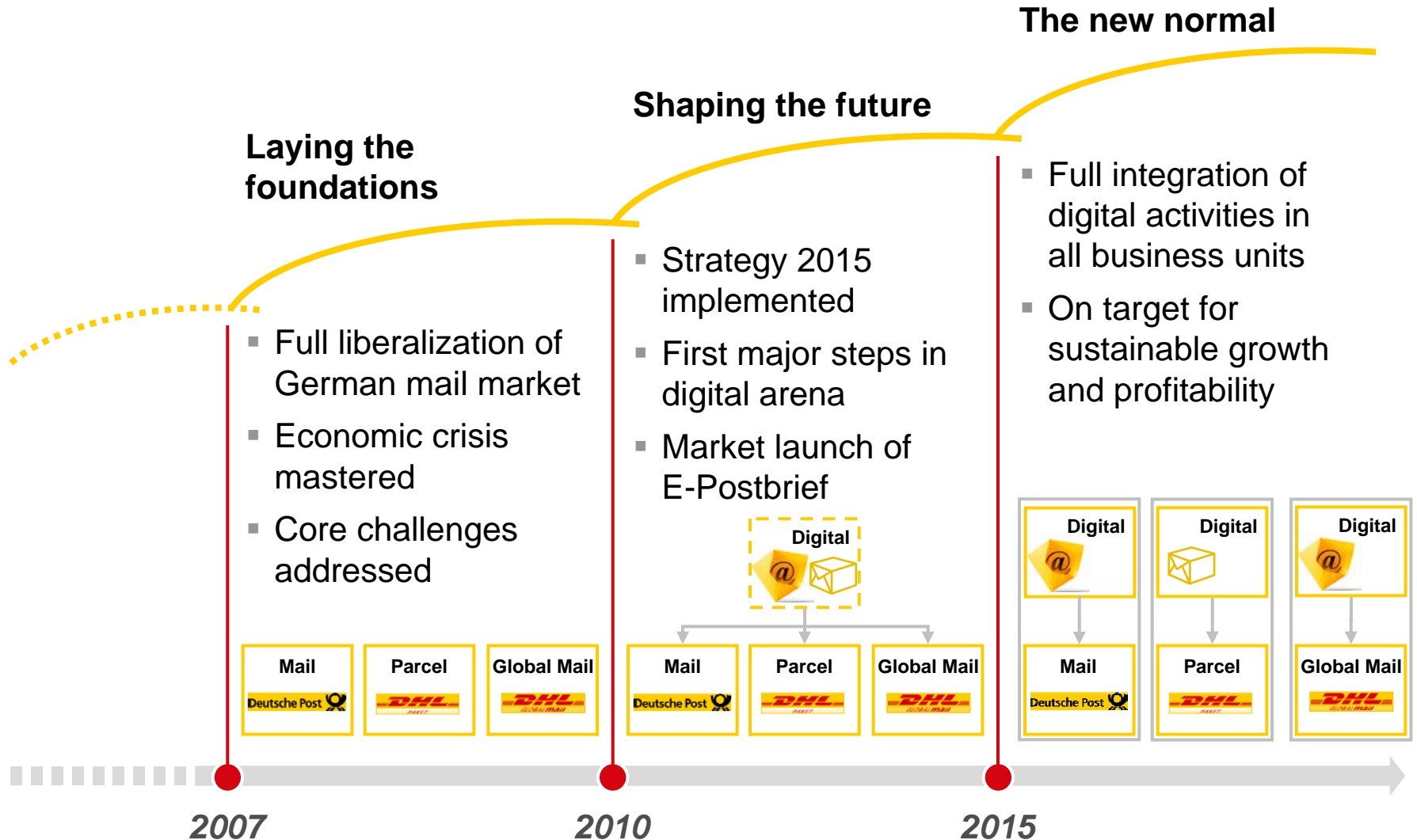
Create a “Bad Post” –
a kind of “bad bank” for the
postal industry?

Die slow:
Management of steady
decline of Mail?



***Capital markets question Mail's
ability to stabilize future profits***

WE HAVE A CLEAR GAME PLAN TO ACHIEVE THE LONG TERM EBIT TARGET



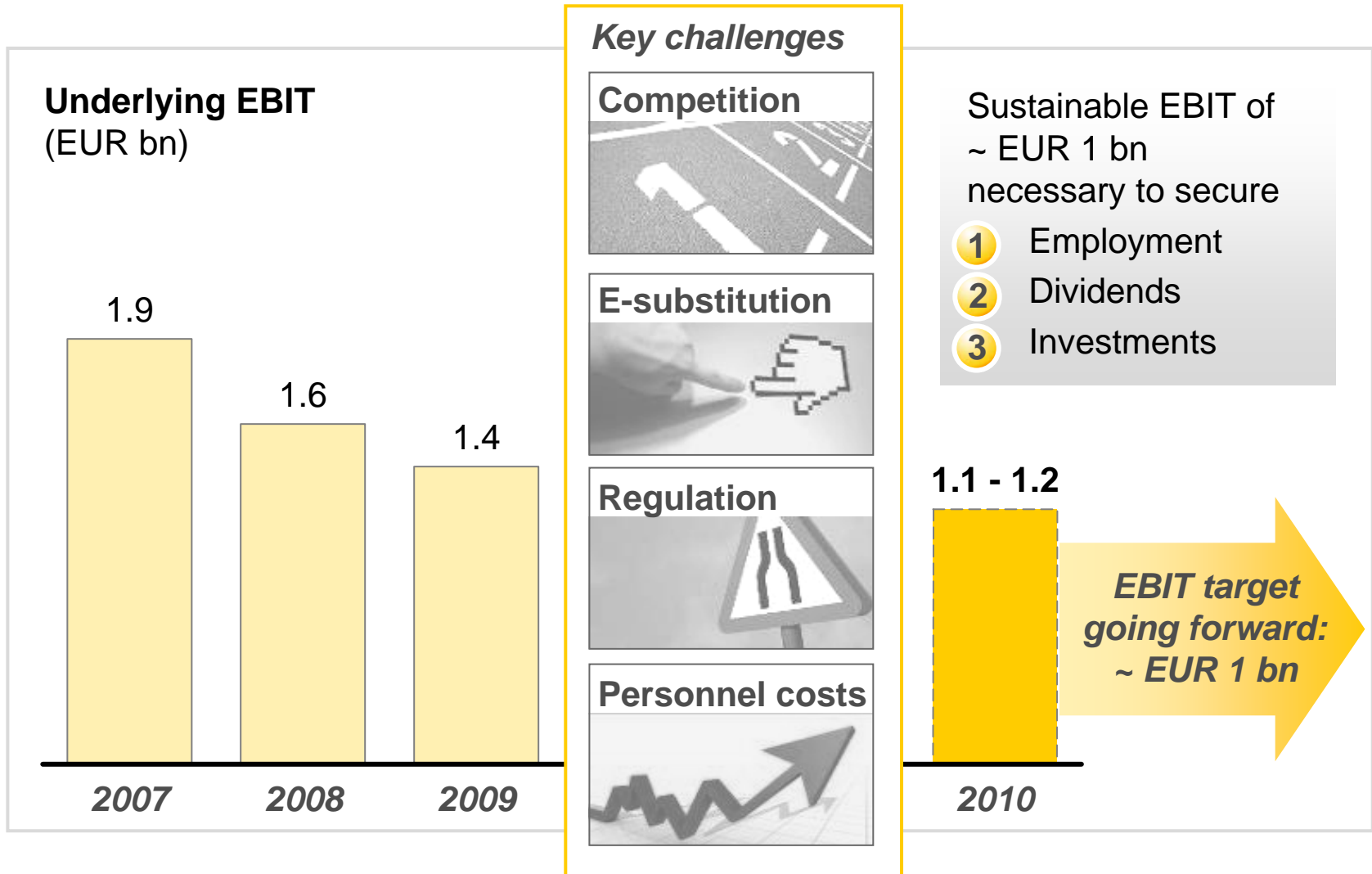
MAIL IS A DIVERSIFIED BUSINESS – IN EVERY UNIT WE PERFORM BETTER THAN OUR PEERS



Already one-third of current parcel volumes triggered by eCommerce

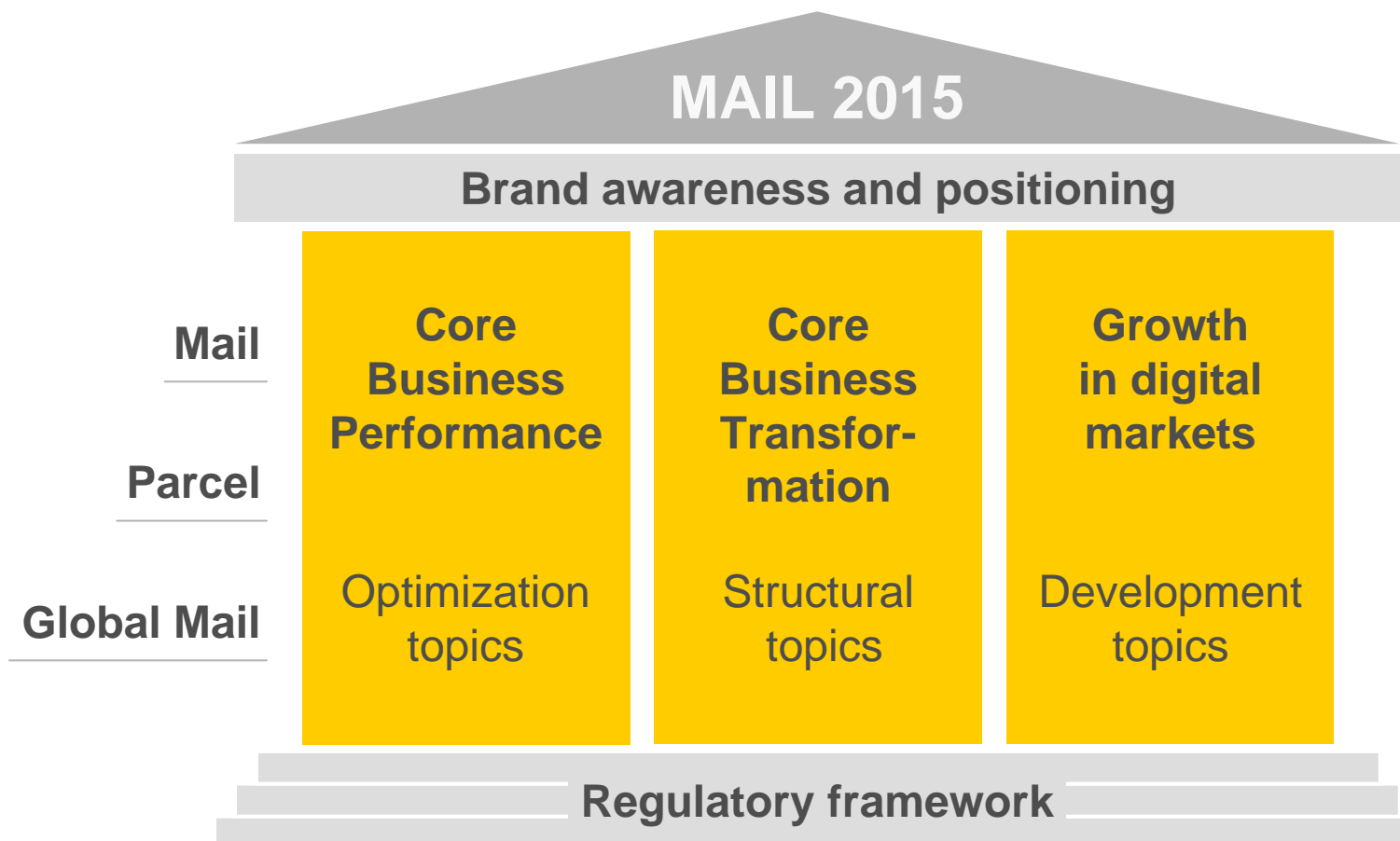
^{*)} No comparable data available

WE ARE MASTERING OUR CHALLENGES IN ORDER TO DELIVER A SUSTAINABLE EBIT

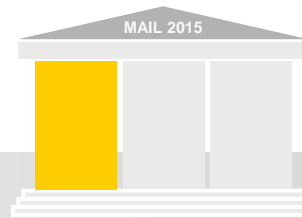


IN 2009 WE INTRODUCED MAIL STRATEGY 2015

Excellent results so far provide the basis for future success



CORE BUSINESS PERFORMANCE: WE ARE MANAGING OUR CHALLENGES, SECURING TRADITIONAL BUSINESS



Core Business Performance



Investments to increase quality and reduce costs

- More than EUR 600 million from 2009
- Rollout of 288 new **sorting machines** for standard letters completed
- Over 2,000 new **delivery vehicles**



Customer satisfaction

- **High satisfaction** maintained and/or improved
- **Not one top customer lost** due to new VAT rules - thanks to effective marketing and sales initiative
- **Top quality levels** despite stringent **cost management**



Employee satisfaction

- **Historic best results** in all categories
- **74% overall satisfaction**
- Result of **intensive dialogue** process with managers and employees at all levels

PRIVATE AND BUSINESS CUSTOMERS CONTINUE TO BE VERY SATISFIED WITH MAIL'S SERVICES

Private customers

Kundenmonitor Deutschland 2010



Overall satisfaction mail services

- Friendliness delivery personnel
- Damage free delivery
- Correct delivery

93%

99%

96% ↑

95% ↑

“satisfied”

“very satisfied”

“completely satisfied”

Overall satisfaction retail outlets

- Partner retail outlets
- Competence of counter staff
- Speed of service

90%

91% ↑

96% ↑

88% ↑

↑ significantly better than 2009

Business customers

Brand Assessment Study, Deutsche Post 2010

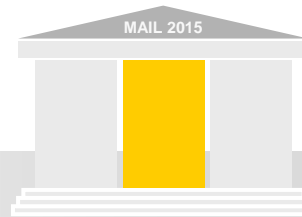


Deutsche Post maintains stable market dominance

It has a clear lead over competitors in Germany on...

- Nationwide presence and accessibility
- Tradition
- Experience and competence of staff
- Reliability
- Confidential handling
- Future orientation

WE ARE ENSURING OUR SUSTAINABLE PROFITABILITY WITH OUR **CORE BUSINESS TRANSFORMATION**



Core Business Transformation



Labor costs

- Personnel models
- Outsourcing options



Network redesign

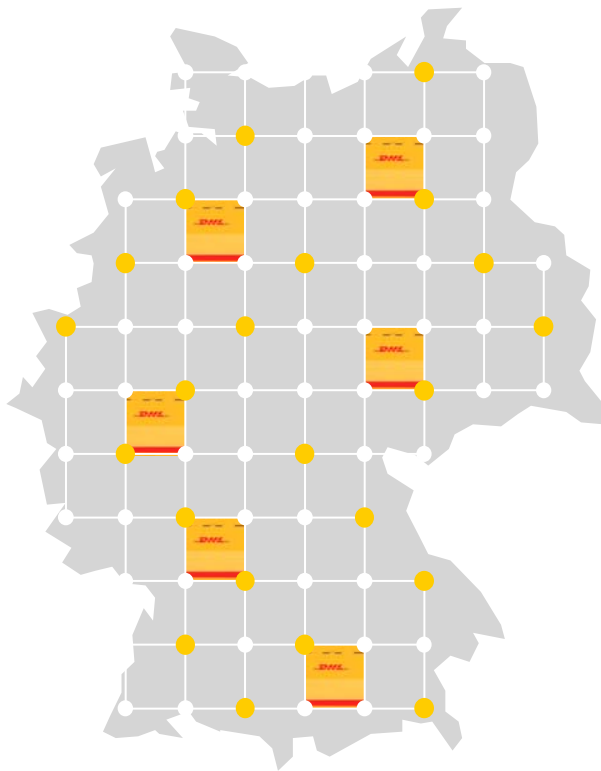
- Network flexibility in response to changing volumes
- Parcel network redesign



Regulation

- Pricing
- Universal Service Obligation

NEW PARCEL NETWORK WILL HANDLE SIGNIFICANTLY HIGHER VOLUMES AND DELIVER ON CUSTOMER DEMANDS



Faster delivery

Reduced transit times for speedier shipment

Later pick-up time

Greater flexibility for business customers (B2B/B2C)

Information transparency

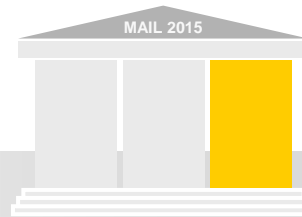
Improved shipment information when customers need it

Increased volumes

Significantly greater capacity for strong parcel volume growth

Cost efficiency

More efficiently organized sorting and transport to save costs



Growth in Digital Markets

Mail Communication

Trusted transactions online:

- Successful market launch of **E~~o~~POSTBRIEF** July 2010
- Connecting of business customers started
- Additional functionality of platform to follow

Dialogue Marketing

Digital dialogue marketing:

- Acquisition of **nugg.ad** August 2010
- **Werbemanager** combines online and offline competencies
- **allesnebenan.de** online offers in the local area

Parcel

E-Commerce services:


- Shopping platform **MeinPaket.de** October 2010
- **eParcel** fulfillment services
- **Packstation** the preferred delivery option for customers


Press Services:
concepts being developed

THE E-POSTBRIEF PROVIDES THE BASIS FOR A WHOLE ECO-SYSTEM

Search = 

Books = 

Intuitive interface = 

Trusted transactions = 

SUCCESSFUL LAUNCH OF THE E-POSTBRIEF!

Private customers



- 1,000,000 address reservations within 16 weeks
- Faster customer development than for comparable online providers (Facebook, Google etc.)

Business customers



- Over 100 signed contracts
- Over 100 ready to sign
- 2,500 companies have asked for information
- First large business customers already connected (e.g. Zurich, AOK PLUS Health Insurance etc.)

latest
results!

Brand

E-POSTBRIEF

- Two out of three Germans have heard of the E-Postbrief
- Since September the awareness of the product name has risen by 11% to 62%
- „Innovation of the Year“ 2010, Postal Technology International Magazine („Post Oscar“)

Digital Dialog Marketing



- Increased reach via all online marketing networks
- Campaign optimization across all online marketers
- Implementation of branding campaigns



- Online advertising for SMEs – easy, target group specific and with manageable budget
- Positioning of Google AdWords and banner advertising – with only a few clicks and without special knowhow



- For consumers: overview of attractive products and services in the local area
- For businesses: increased customer frequency – easy and cost effective

MeinPaket.de MAKES ONLINE SHOPPING FOR TRADERS AND CUSTOMERS EASY, TRANSPARENT AND SECURE

Deutsche Post DHL

NEW: MeinPaket.de – the shopping platform of Deutsche Post DHL



- Upmarket shopping platform with intuitive interface and editorial content
- 600 registered traders already signed up for the launch of MeinPaket.de
- > 400,000 products
- Online sales in different shops via secure portal and single log in
- Ideal additional online channel for small and medium-sized traders
- Activation of new customer groups for eCommerce, e.g. “best ager“ 50+

MAIL HAS A GREAT GAME PLAN – WE WILL WIN THE FUTURE

