



Why going global?

Uwe R. Doerken – CEO DHL

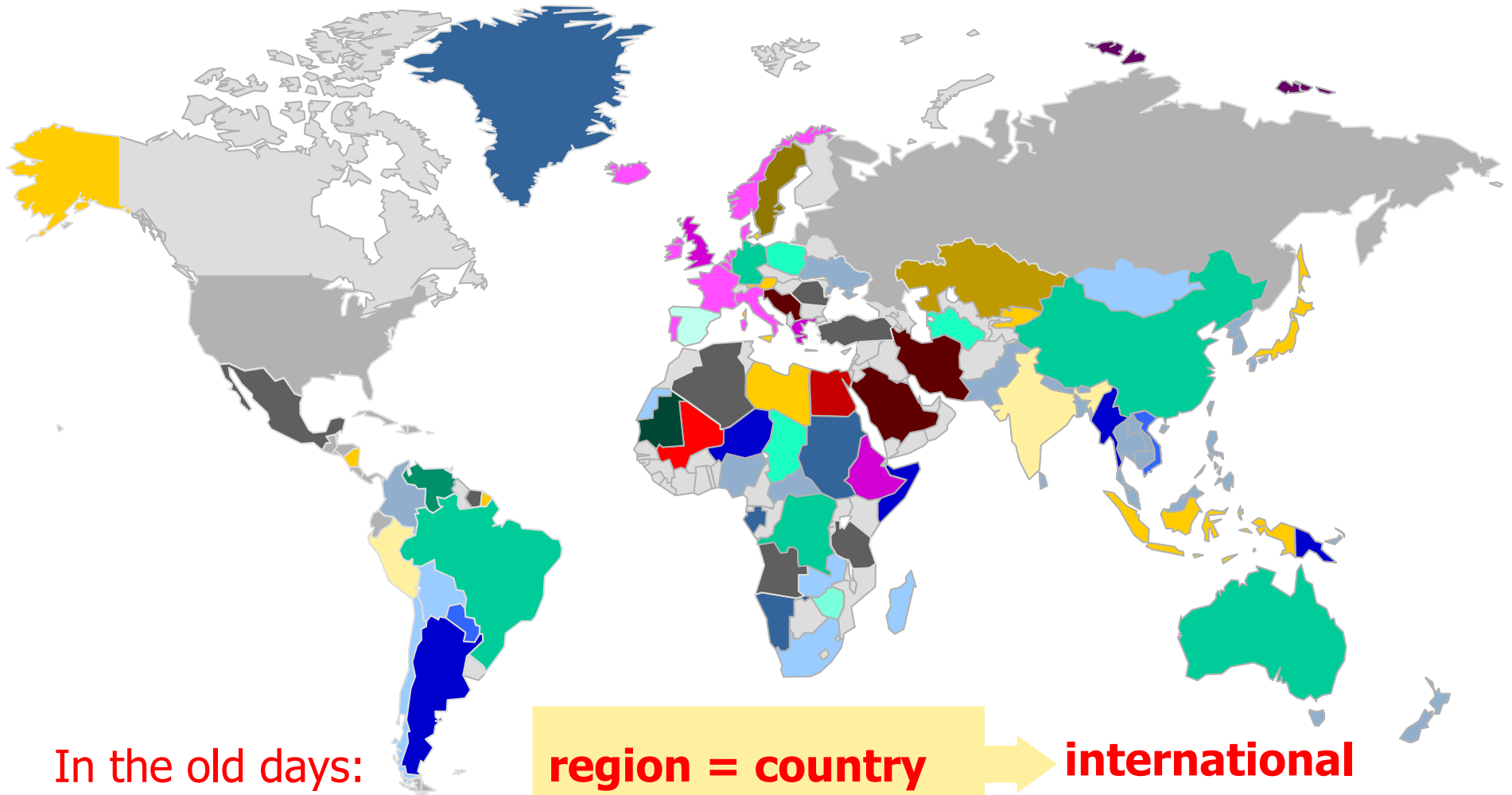
- Why going global?
- Areas with strong local presence
- World market for Express & Logistics
- DHL Danzas Air & Ocean
- Global Customer Solutions

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Why going global?



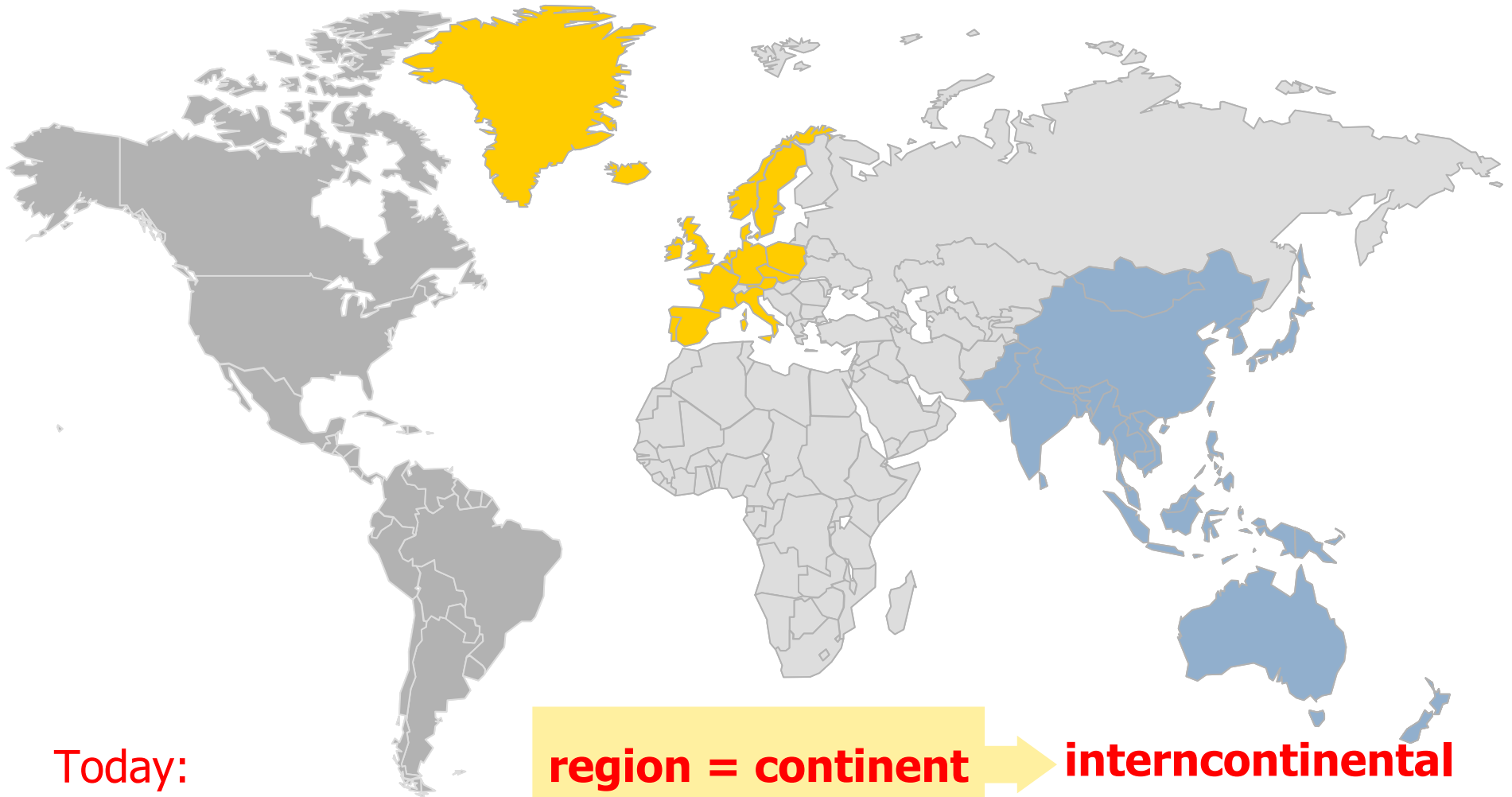
Express business evolution



Why going global?



Express business evolution



DHL markets are maturing

Market Growth Percent

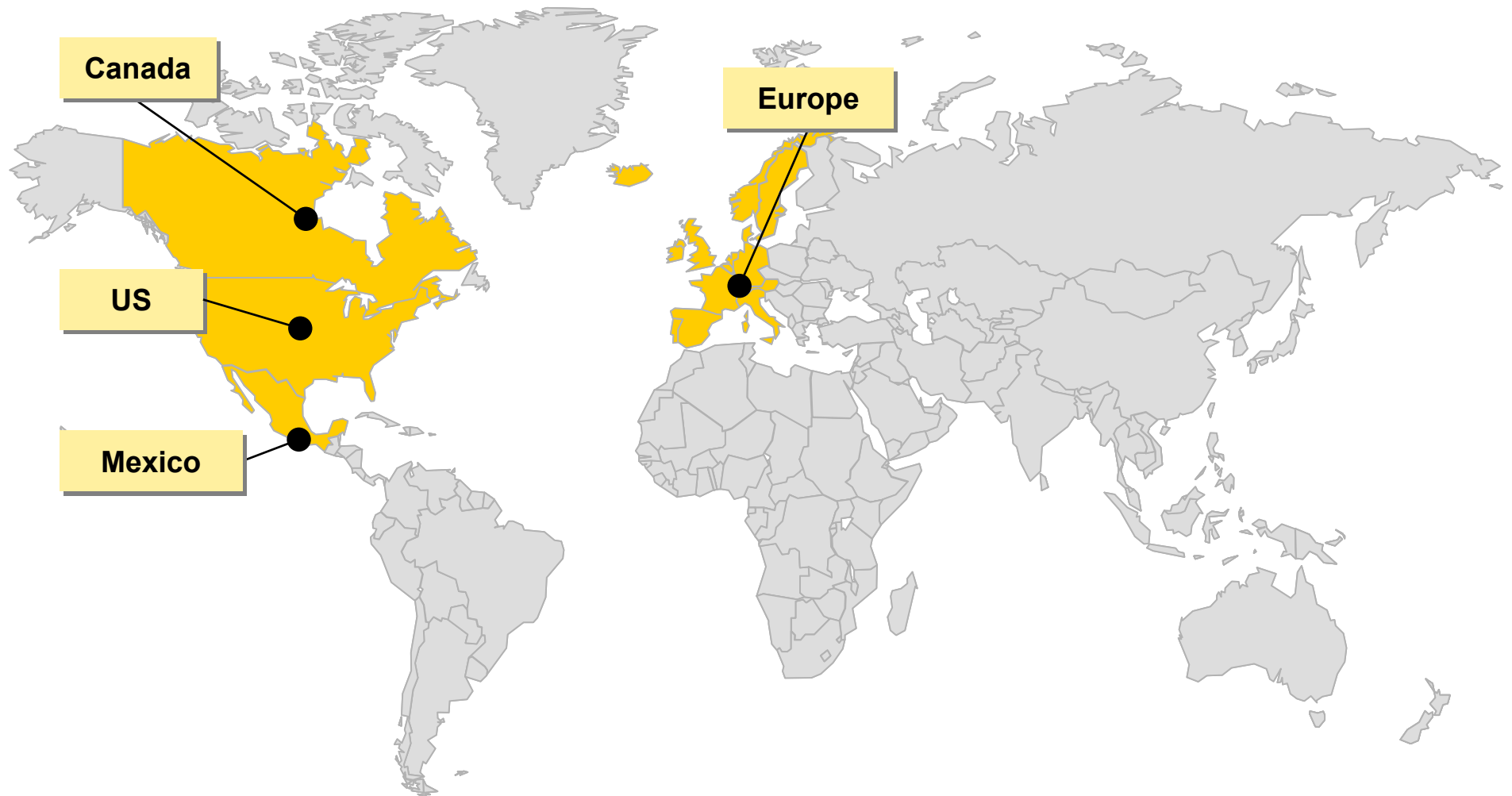


Market evolution

- Air express used for time-critical documents
- No established supply chains
- No domestic markets (mostly import/export)
- Day-certain parcel services emerge/WPS increase
- Multi-party supply chains evolve
- Domestic markets develop
- Fully integrated supply chains emerge
- Air express fully integrated in supply chain at service level/price trade-off

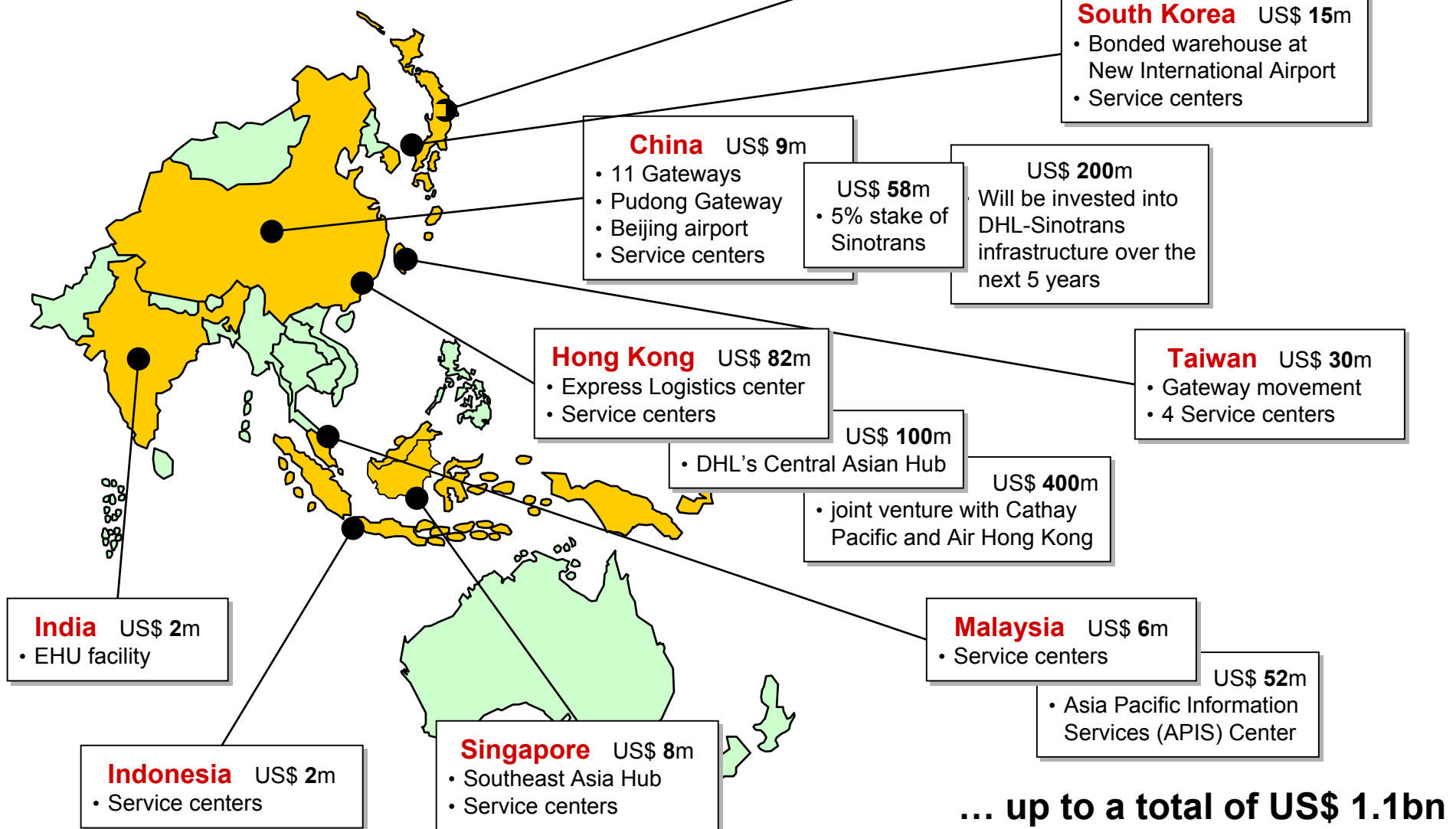
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Domestic capability



Areas with strong local presence

Infrastructure investment in Asia Pacific ...



... up to a total of US\$ 1.1bn

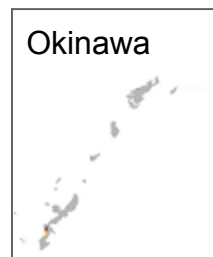
Japan

Business Review

- ✖ 300m in Revenue
- 19% Margin at EBITA
- 10.5 million shipment
- #2 market share after EMS (Japan Post)
- Re-branding completed

Infrastructure

- 46 Service Centers and Express centers
- 2 Gateways
- 1 Distribution Center
- 25 Spare Parts Centers
- 606 vehicles
- National Coverage



DHL Express in China

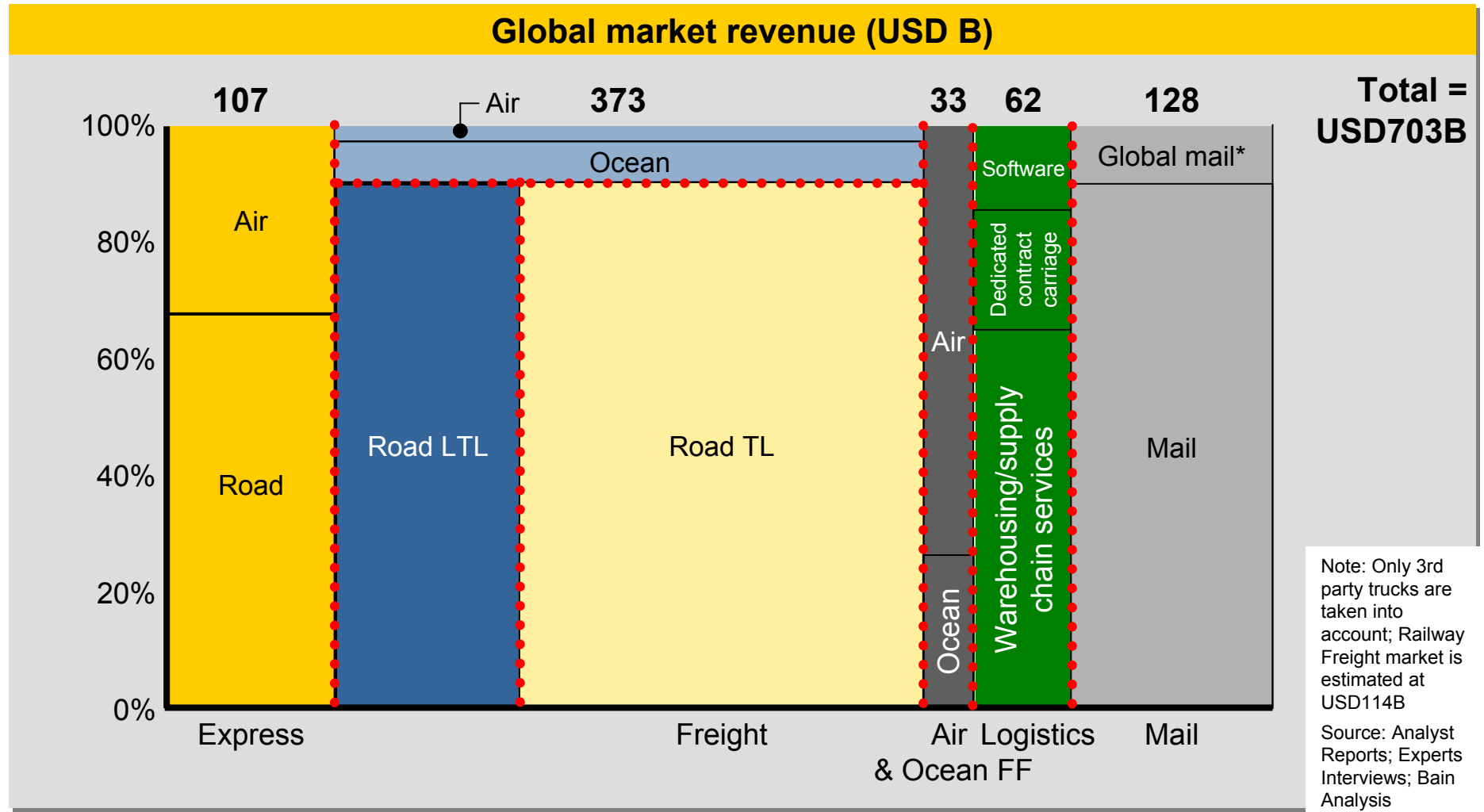


The relationship with Sinotrans has proven very successful...

- Existing Joint Venture with Sinotrans highly successful with revenues of >€200m and growth of >40% per annum.
A 5% stake of Sinotrans has been acquired for the price of € 50m.
- 38% of the Sinotrans shares have been sold. 28% are in free float. 10% have been given to strategic investors (DPWN, Excel, UPS, Nissan Forwarding).
- DPWN objective:
 - Stabilization and protection of existing Sinotrans relationship
 - Improvement of DHL market position in China from cross-border to domestic service provider.

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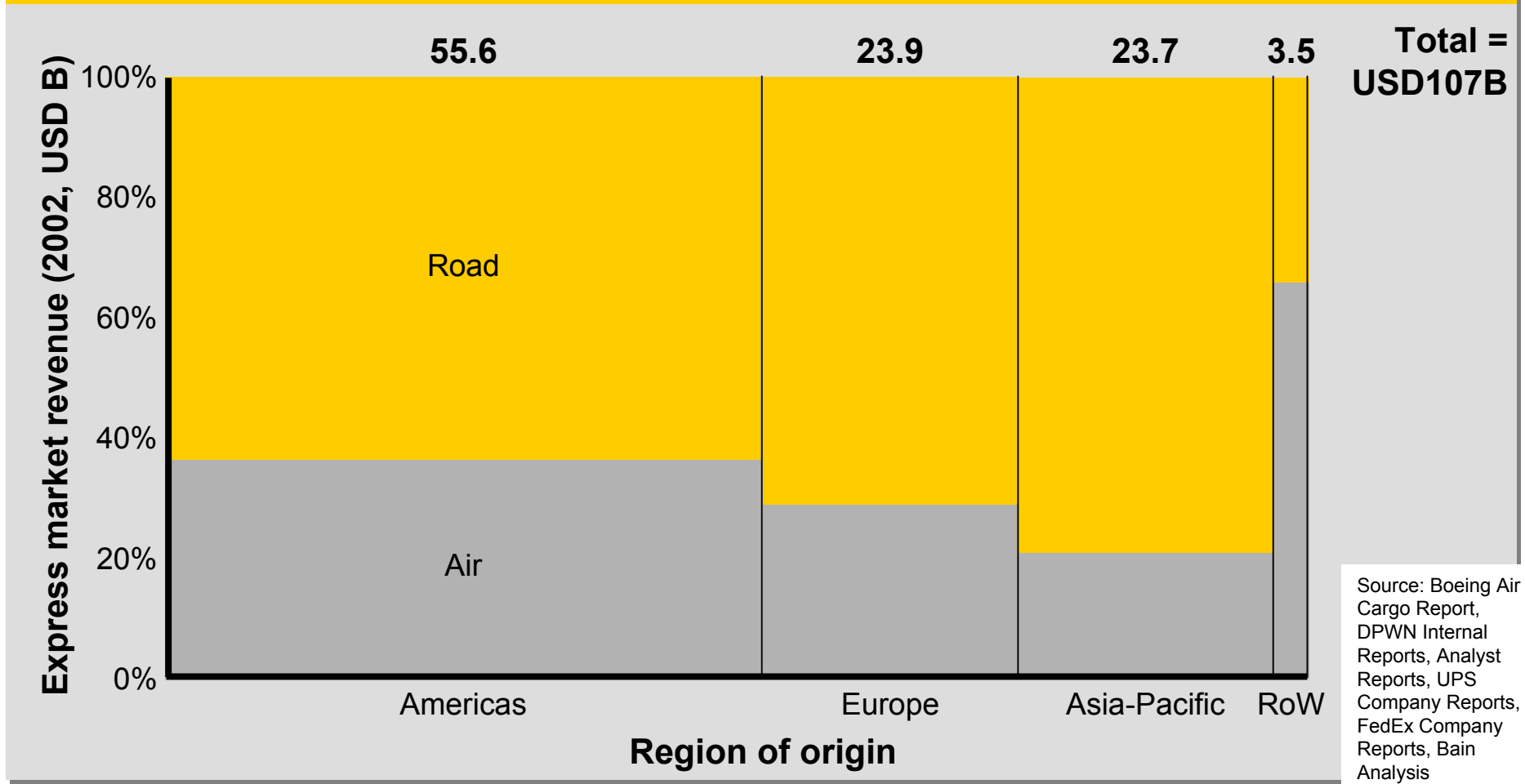
Global market size



* Revenue Figures from 2000

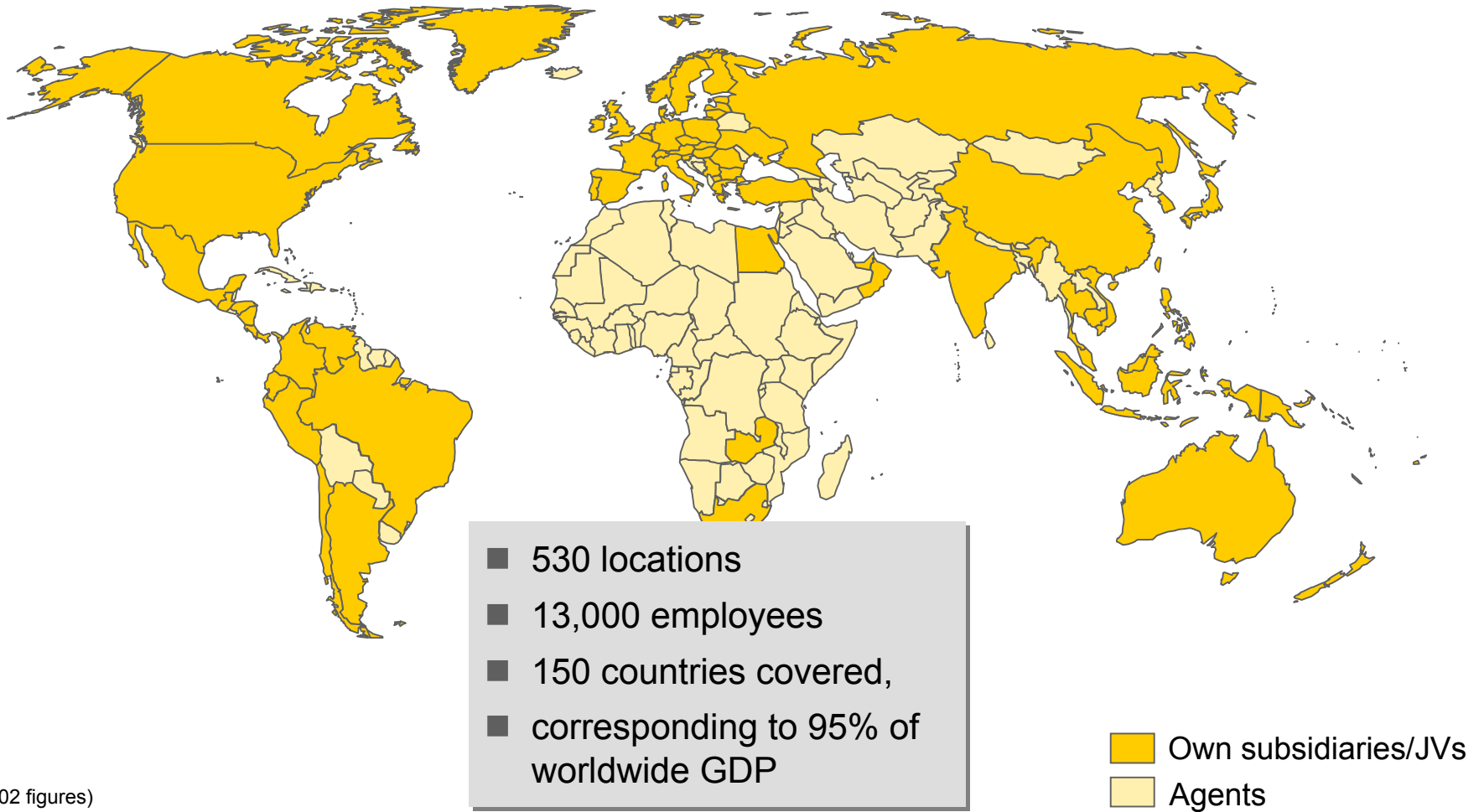
Express market size

The global Express market is estimated to be in excess of USD 100 Bn

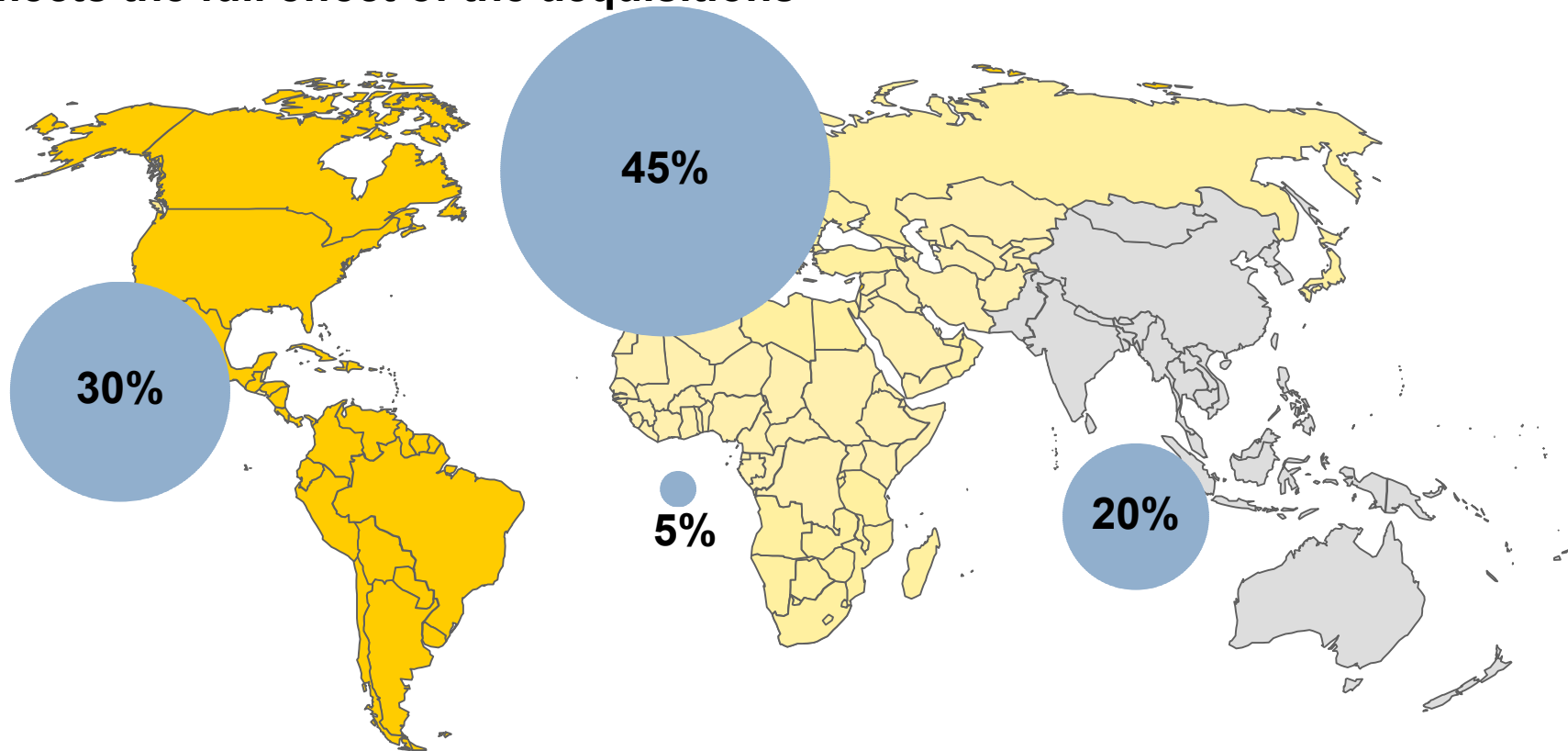


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Worldwide subsidiaries and a global network



Net sales 2004 budget Reflects the full effect of the acquisitions



Note: DDAir&Ocean regions differ in parts from the DHL Express regions. The regions are re-grouped to reflect the DHL Express structure.

Leading market position

Air freight	%
■ DHL Danzas Air & Ocean	6.2
■ Exel	5.2
■ Nippon Express	4.8
■ Schenker	3.3
■ BAX Global	3.2
■ Kühne & Nagel	3.0
■ Panalpina	2.9

Market: USD 22.7 billion (IATA)

Ocean freight	%
■ Kühne & Nagel	6.3
■ DHL Danzas Air & Ocean	4.9
■ Panalpina	4.1
■ Schenker	3.4
■ Exel	1.2

Market: 16 million TEUs

Source: Company estimates based on various sources. Air freight refers to IATA sales (2002), Ocean freight based on TEUs (2002)

Strategic alignment

DHL Danzas Air & Ocean

- Customer-focussed sales strategy
- Implementation of performance enhancement projects and realisation of expected savings
- Strict cost management

Across DHL and DPWN

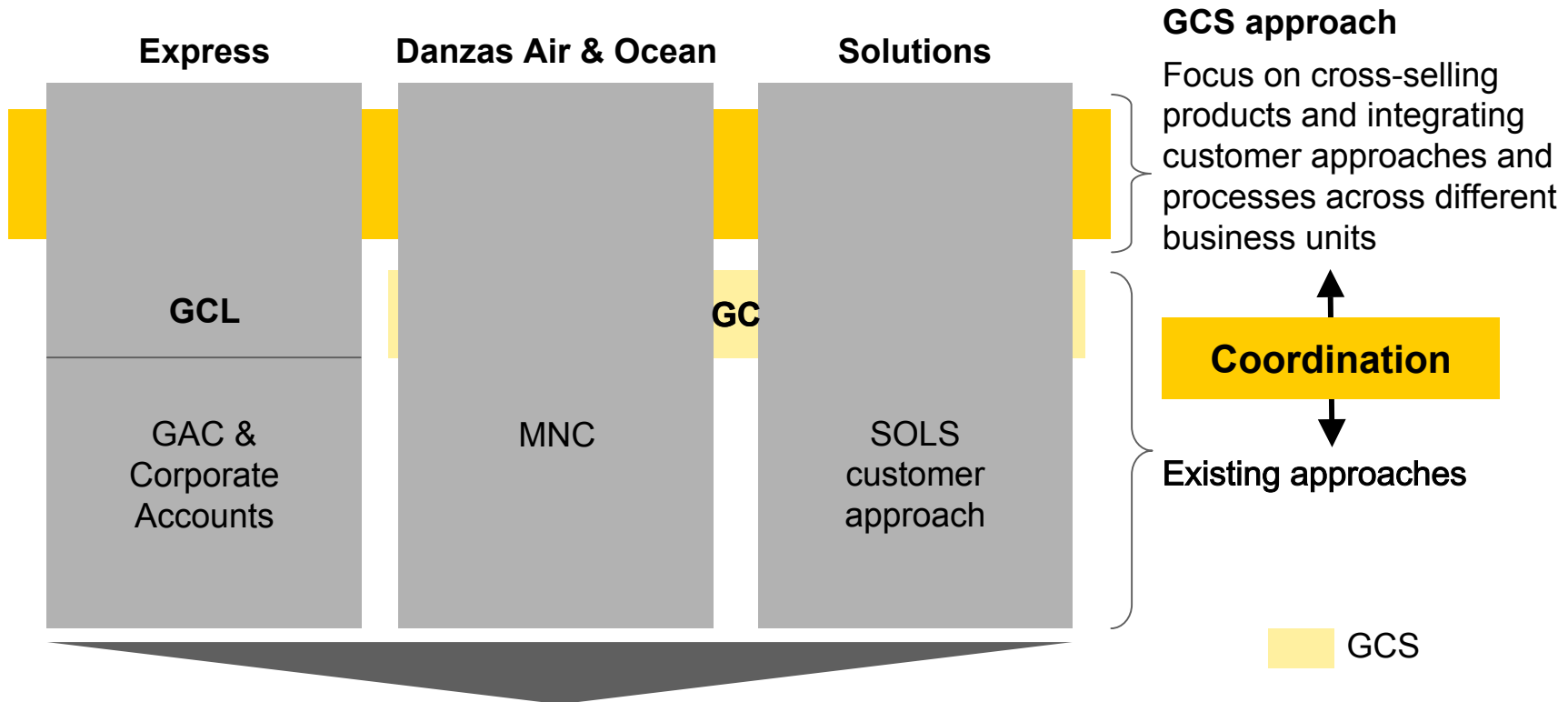
- Cooperation with DHL Express: e.g. Sales & Marketing, Air Freight and operations
- Support cross-divisional projects at DPWN level
- Partnering with Global Customer Solutions (GCS)
- Integration of back offices into shared service centres (e.g. finance, IT, HR)

Overriding Goal

To expand the leading market position in air and ocean freight under the new brand

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Designed to develop global customers across all DHL business units...



The key success factor for GCS is to operate an effective and efficient customer development approach across multiple products/services (from sales to implementation and program management)

- GCL = Global Customer Logistics
- GAC = Global Advantage Customers [DPEE] Corporate Accounts
- MNC = Multi National Customers
- GC = Global Customers
- SOLS = Solutions

...with a clear aspiration of adding value

GCS is about ...

- Emphasizing a customer led approach as opposed to products and geographies
- Being a global and strategic partner for targeted global customers
- Enhancing our ability to meet global customer needs across the entire supply chain
- Expanding the cross-BU and cross-regional opportunity pipeline & improving success rates
- Ensuring a consistent approach and priorities for global customers, leveraging global expertise
- Ensuring better overall economics for GCS customers

... while trying to avoid...

- A business within the business – leading to an “us” and “them” syndrome
- Unjustified cost build-up
- The creation of parallel/competing sales channels
- Increased complexity across the customer process
- Jeopardizing existing customer relationships
- Increased price pressure from customers
- Missing the link with and minimizing the motivation of the field



