

Edition: 3/2009

**Dear subscriber,**

Today, 31 July 2009, we have published our Interim Report H1 2009. We have summarised the most important information from the Interim Report for you in the third Investor Relations Newsletter of the year. You can read the complete Interim Report online on our website and save a PDF copy onto your computer. Printed copies can be ordered via our website.

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Kind regards,

Your  
Investor Relations Team  
Deutsche Post DHL

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## At a glance

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### What we achieved in the first half of 2009:

We completed the sale of shares of Deutsche Postbank to Deutsche Bank and continued to restructure our express business. We succeeded in cushioning the effects of the global economic crisis through our comprehensive cost-cutting programme and stabilised earnings in the second quarter. Despite sharp volume declines, we stood our ground thanks to bustling new business. We also started to implement our Strategy 2015 across the Group.

### What we intend to achieve by the end of 2009:

We have accelerated the Group-wide cost-cutting drive and are confident that we will reach our savings goal of €1 billion in indirect costs as early as in the second quarter of 2010. Based on a conservative forecast scenario, we expect underlying Group EBIT to reach €1.2 billion for 2009. The positive effects from the Postbank transaction should lead to a return to a positive net profit for the full year.

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## Letter to our Shareholders

Dr Frank Appel, Chief Executive Officer



*Dear Shareholders,*

In the first half of 2009 we navigated the Group successfully through the economic downturn, and we did this despite feeling the effects of a persistently poor economic climate and facing a sharp drop in shipment volumes.

We made great strides in the four areas of costs, working capital, capital expenditure and revenue. All in all, we held the line across the board thanks primarily to costs savings. All the divisions were profitable in the second quarter before non-recurring items with DHL and Deutsche Post contributing nearly equally to operating earnings.

Last autumn we announced our intention to lower indirect costs – for example, administrative, travel and IT costs – by one billion euros by the end of 2010 as part of our capital markets programme. Since we have progressed faster than anticipated, especially in the express business, and have already reduced annualised costs by €552 million since the start of the programme, we are confident that we will reach our original goal as early as in the second quarter of 2010.

Costs savings remain a top priority but it is equally important to show strength in a tough economy. Our new business wins of approximately €2 billion and the growth we have generated with several of our key customers in the first half of the year demonstrate that resilience. It also confirms that our customers value us as a reliable partner. In my view, this is a fine position to be in as we safely steer through the recession and emerge a stronger market leader.

We have not seen a substantial improvement in trading conditions over the second quarter and a short-term recovery is not yet in sight. Assuming the bottom has been reached in terms of volume declines but that risks continue from prolonged factory closures in Q3 and customer insolvencies, we believe underlying Group EBIT of €1.2 billion for the full year 2009 can be reached.

We are navigating successfully through the crisis and, with our Strategy 2015, which we presented in spring, we have laid the foundations for our future success: We want to remain Die Post für Deutschland (The Postal Service for Germany) and become The Logistics Company for the World. We have now defined clear objectives and begun implementing the appropriate measures. Feedback from our customers, employees and shareholders has been extremely positive.

Yours faithfully,

Dr Frank Appel  
Chief Executive Officer

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## Significant events

### Transaction for the sale of Postbank shares completed

Early in July 2009, Deutsche Post DHL took a key step towards becoming a pure-play mail and logistics group by selling its remaining shares in Deutsche Bank AG on the market, as planned. The Group generated around €100 million more than anticipated from the sale of the 50 million Deutsche Bank shares that Deutsche Post had received as part of the sale of its interest in Deutsche Postbank in March. So far, Deutsche Post has received around €5 billion from the sale of its interest in Postbank. Deutsche Post DHL now no longer holds any shares in Deutsche Bank.

The transaction for the sale of Postbank shares to Deutsche Bank agreed in January was completed on 25 February 2009 as planned. Deutsche Bank received a 22.9% interest in Postbank from Deutsche Post DHL in return for 50 million Deutsche Bank shares from a capital increase. An additional interest of 27.4% will be transferred to Deutsche Bank after three years when a mandatory exchangeable bond on Postbank shares becomes due.

The first tranche affected earnings by €564 million in the first six months of 2009; this amount is contained in the profit from discontinued operations and in net financial income.

In a third tranche, Deutsche Post DHL and Deutsche Bank agreed on options for the sale/purchase of a further 12.1% of Postbank's shares. These options cannot be exercised until February 2012 at the earliest. Net financial income includes income of €771 million, which reflects the performance of the options on the market.

Further information can be found on our website:

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## Deutsche Post shares

### Equity markets hope for end to recession

After a very weak start in 2009, the financial markets made a significant recovery in the second quarter. The hope that the recession will soon end – fed from a variety of business confidence indicators – led to a 17.7% rise in the DAX in the second quarter, even breaking the 5,000 mark at times. The EURO STOXX 50 was up 16.0%, closing at 2,401.69. Deutsche Post shares also made gains in the second quarter, increasing by 14.5% to close at €9.29. Nevertheless, our shares fell 22% on the year, considerably underperforming our competitors. Average trading volumes decreased by 12.7% to around 6.5 million shares per day.

#### Peer group comparison

		30 Dec. 2008	30 June 2009	+/- %	30 June 2008	30 June 2009	+/- %
Deutsche Post	€	11.91	9.29	-22.0	16.60	9.29	-44.1
TNT	€	13.55	13.85	2.2	21.19	13.85	-34.7
FedEx	US\$	62.22	55.62	-10.6	78.79	55.62	-29.4
UPS	US\$	54.18	49.99	-7.7	61.47	49.99	-18.7
Kuehne + Nagel	CHF	67.55	85.10	26.0	93.57	85.10	-9.1

Further information can be found on our website:

[▶ Shares Information](#)

[▶ Key figures on our shares](#)

[▶ Shareholder structure](#)

[▶ Dividend](#)

[▶ Analysts recommendations](#)

[▶ Analysts estimates](#)

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## Roadmap to Value

### Clear focus on profitability

Our capital markets programme continues to focus on our Group-wide cost-cutting drive to lower indirect costs by €1 billion. In fact, we have accelerated the IndEx programme and we are confident that we will reach our overall savings goal as early as in the second quarter of 2010. This goal is divided amongst the divisions as follows: EXPRESS €460 million, MAIL €180 million, GLOBAL FORWARDING, FREIGHT €160 million, SUPPLY CHAIN €130 million and Corporate Center/Other €70 million. The divisions are meeting their cost reduction targets as planned and so far we have saved €552 million, €413 million of which was saved in the first half of 2009.

### Tight cash management

We invested €478 million in the first half of 2009 – €290 million less than the prior-year period and a substantial reduction in capital expenditure. At the same time we improved working capital year-on-year by €540 million in the first half of the year.

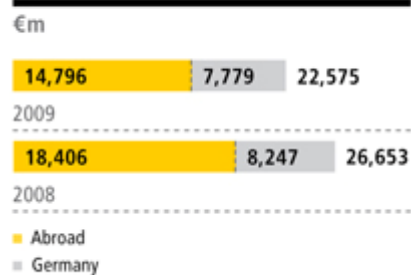
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## Revenue and earnings development

### Consolidated revenue for continuing operations drops

In the first half of 2009, our continuing operations generated revenue of €22,575 million, €4,078 million or 15.3% less than in the comparable prior-year period. Negative currency effects of €171 million contributed to this decline. Following our exit from the domestic US express business, the share of revenue generated abroad fell from 69.1% to 65.5%.

#### Consolidated revenue for continuing operations, H1



### Derivatives from Postbank sale lift profit

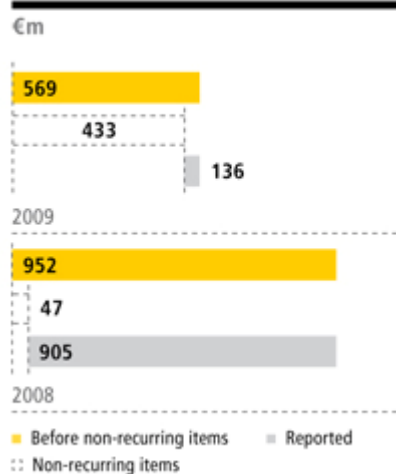
Profit from operating activities (EBIT) from continuing operations fell by €769 million to €136 million, a year-on-year drop of 85.0%. After adjustment for the non-recurring items of €433 million for the reporting period and €47 million for the prior-year period, EBIT declined by 40.2% to €569 million.

Measurement gains were recorded on the derivatives from the sale of Postbank to Deutsche Bank, turning prior-year net finance costs of €313 million into net financial income of €610 million.

Profit before income taxes from continuing operations improved from €592 million to €746 million.

As a result, income tax expense rose from €71 million in the prior-year period to €150 million in the first half of 2009. All in all, profit from continuing operations amounted to €596 million, up €75 million or 14.4% on the previous year.

#### Consolidated EBIT for continuing operations, H1



### Consolidated net profit for the period up sharply

The combined profit from continuing and discontinued operations resulted in a consolidated net profit of €1,028 million (previous year: €761 million). Of this amount, €1,010 million is attributable to Deutsche Post shareholders and €18 million to minorities. Basic and diluted earnings per share both rose significantly, from €0.51 to €0.84. Earnings per share for continuing operations amounted to €0.48, whilst earnings per share for discontinued operations were €0.36.

Further information can be found on our website:

- ▶ [Interim Financial Statements H1 2009](#)
- ▶ [Investor conference call on 23 July 2009](#)

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## Outlook

### Outlook for full year 2009

Business development in the second quarter confirms our view, expressed after the first quarter, that volume declines may have seen the bottom. Still, the wide range of forecasts for the global economy, and in particular for the euro zone and Germany, indicates a high level of uncertainty. Our customers' expectations regarding the future business environment differ widely.

Taking these factors into account, we have built our forecast on the assumption that there will not be a significant recovery of trading volumes for the rest of the year. This scenario includes continued risks to individual customers and industries, be it insolvencies or extended factory closures during the summer period. In such an environment, Deutsche Post DHL management expects a full-year underlying Group EBIT of €1.2 billion in 2009.

Cost-cutting initiatives are being executed successfully in all our divisions. The MAIL Division, the single largest contributor to the Group's EBIT, continues, however, to face structural challenges.

The positive effects from the Postbank transaction should lead to a return to a positive net profit in 2009 as a whole – a substantial improvement on 2008.

Further information can be found on our website:

- ▶ [Investor News from 23 July 2009](#)

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## Events

### Financial calendar

5 November 2009	Interim Report on the first nine months of 2009, investors conference call
9 March 2010	Financials press conference and investors conference for financial year 2009
16 March 2010	Annual Report 2009
28 April 2010	Annual General Meeting (Frankfurt/Main)

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For more information on other events, updates and details of live webcasts please visit **our website**.

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