



**Dear subscriber,**

We have today, 5 November 2009, published our interim report on the first nine months of 2009. We have summarised the most important information for you in this newsletter.

You can read an online version of the entire interim on our website, where you can also save a PDF version onto your computer and order a printed copy.

- [Online Interim Report ▶ more](#)
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Kind regards,  
Investor Relations Team  
Deutsche Post DHL

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## At a glance

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### What we achieved in the first nine months of 2009:

We completed the sale of shares of Deutsche Postbank to Deutsche Bank and continued to restructure our business, especially in the United States. Our cost cutting programme remained highly successful – and we are now seeing improved profits as a result. We were thus able to soften the impact of the recession on our business. Together with our social partner, we agreed cost savings for the MAIL Division of around €140 million in 2010 and around €230 million in 2011.

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

We have accelerated the Group-wide cost-cutting drive, and we expect to reach our savings goal of €1 billion in indirect costs as early as the end of 2009. Even in light of further risk from customer insolvencies, Deutsche Post DHL is raising its forecast for full-year EBIT before non-recurring items from €1.2 billion to at least €1.35 billion. We continue to expect that net profit will be positive for the full year.

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## Letter to our Shareholders

Dr Frank Appel, Chief Executive Officer



*Dear Shareholders,*

In times of economic crisis, every company looks carefully at how to protect profitability, keep customers satisfied and maintain as many jobs as possible. Looking back on the first nine months of 2009, I can wholeheartedly confirm that we have risen to these challenges with determination and confidence. Deutsche Post DHL is the global leader in mail and logistics, and the overall state of our company is strong.

However, the environment remains difficult. Even though the third quarter showed signs of a slight improvement, a full-scale economic recovery is not yet in sight. We saw slight quarter-to-quarter improvements in transported volume but figures are still well below prior-year levels. Against this backdrop, consolidated revenue in the first nine months of 2009 fell by 16% to €33.8 billion. EBIT before non-recurring items decreased by 31% to €947 million.

Nevertheless, we have been able to successfully manage the crisis through strict cost control. Our IndEx programme continues to focus on our Group-wide cost-cutting drive to lower indirect costs by €1 billion. In fact, we have accelerated the programme and already saved €859 million. We expect that we will reach our overall savings goal as early as the end of 2009.

Thanks to this initiative the decline in EBIT before non-recurring items in the third quarter was reduced. I think that this demonstrates our resilience and discipline in a tough commercial environment. And, disregarding a €146 million charge due to the insolvency of Arcandor, our third quarter EBIT before non-recurring items would have actually risen compared with last year.

We are making good progress with the restructuring of our express business, we are seeing sequential increases in air and ocean freight volumes and we have successfully gained new contract logistics business in an uncertain market.

The mail sector is at a critical juncture. We cannot close our eyes to the fact that electronic communication will continue to cause volumes in the traditional mail business and dialogue marketing to fall. However, we can respond. I am pleased that last week we reached a collective labour agreement with our social partner to stabilise results in the MAIL Division and secure jobs. The agreement means substantial cost savings of around €140 million in 2010 and around €230 million in 2011, which will directly affect results in the MAIL Division.

Yours faithfully,

Dr Frank Appel  
Chief Executive Officer

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## Deutsche Post shares

### Our share price regains significant ground

Stock markets also benefitted from the upward economic trend, yielding a better third quarter than capital market participants had anticipated. The DAX climbed by around 18% in both the third quarter and in the first nine months of 2009, closing on 30 September at 5,675. The EURO STOXX 50 was up 19.6% in the third quarter and 17.2% on the year. Deutsche Post shares also made up significant ground in the third quarter, rising 37.9% to outperform the above-mentioned indices. This is a sign of the early cyclical nature of our shares, which closed on 30 September at €12.80, up for the first time on the year. Despite this positive development, our share value still underperformed the DAX, growing 7.5% in the reporting period. Average daily trading volumes fell by 21.1%, on par with the overall market trend.

#### Key share data

		30. Dec. 2008	30. Sep. 2009
Number of shares	millions	1,209.0	1,209.0
Closing price	€	11.91	12.80
Market capitalisation	€m	14,399	15,475
		9M 2008	9M 2009
High	€	24.18	13.23
Low	€	14.73	6.65
Average trading volume per day	shares	7,416,997	5,853,453

#### Peer group comparison

		30. Dec. 2008	30. Sep. 2009	+/-%	30. Sep. 2008	30. Sep. 2009	+/-%
Deutsche Post	€	11.91	12.80	7.5	14.78	12.80	-13.4
TNT	€	13.55	18.34	35.4	19.50	18.34	-5.9
FedEx	US-\$	62.22	75.22	20.9	79.04	75.22	-4.8
UPS	US-\$	54.18	56.47	4.2	62.89	56.47	-10.2
Kuehne + Nagel	CHF	67.55	90.05	33.3	73.65	90.05	22.3

#### Further information can be found on our website:

Current share price [▶ more](#)  
Key figures on our shares [▶ more](#)  
Shareholder structure [▶ more](#)  
Dividend [▶ more](#)  
Analysts recommendations [▶ more](#)  
Analysts estimates [▶ more](#)

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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 expect that we will reach our overall savings goal as early as the end of 2009. 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 and so far we have saved €859 million, €139 million of which was saved in 2008 and €720 million in the first nine months of 2009.

### Tight cash management

We invested €786 million in the first nine months of 2009, €426 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 €761 million in the reporting period.

### Progress made by the Roadmap to Value

	Targets 2007	Achievements	
1 Profitability	<ul style="list-style-type: none"> <li>Two-year profit improvement programme of €1 billion initiated.</li> </ul>	<ul style="list-style-type: none"> <li>Profit improvement reached for 2008 and IndEx programme accelerated.</li> </ul>	✔
	<ul style="list-style-type: none"> <li>Group EBIT in 2008 to reach at least €4.2 billion.</li> </ul>	<ul style="list-style-type: none"> <li>EBIT target missed due to various factors including economic downturn, sale of Postbank etc.</li> </ul>	✘
2 Liquidity	<ul style="list-style-type: none"> <li>Net working capital reduction of €700 million by the end of 2009.</li> </ul>	<ul style="list-style-type: none"> <li>Target exceeded substantially.</li> </ul>	✔
	<ul style="list-style-type: none"> <li>Sales of non-strategic assets of at least €1 billion in cash within 24 months.</li> </ul>	<ul style="list-style-type: none"> <li>Sale of real estate totalled €1.35 billion.</li> </ul>	✔
3 Dividend	<ul style="list-style-type: none"> <li>Proposed increasing dividend for 2007 by 20% to €0.90 per share and continuous growth in the years to follow.</li> </ul>	<ul style="list-style-type: none"> <li>2007 dividend €0.90</li> <li>2008 dividend €0.60</li> </ul>	✘
4 Transparency	<ul style="list-style-type: none"> <li>Enhanced transparency and disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>Transparency increased significantly, enhancing reported detail to a great extent.</li> </ul>	✔
5 Organic growth	<ul style="list-style-type: none"> <li>Reduce M&amp;A spend.</li> </ul>	<ul style="list-style-type: none"> <li>No major M&amp;A conducted.</li> </ul>	✔

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## Significant events in the third quarter

### Insolvency proceedings opened for Karstadt and Quelle

The insolvency proceedings for Karstadt Warenhaus GmbH and Quelle GmbH opened on 1 September 2009. Both companies are key Deutsche Post DHL customers in Germany. As a result, earnings were reduced by a total of €186 million in our interim financial statements for the period ended 30 September 2009.

Further information can be found on our website:

Interim Report 9M 2009 [▶ more](#)

Subscriber service [▶ more](#)

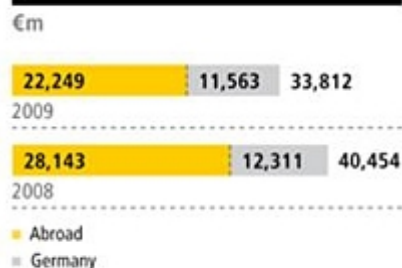
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## Revenue and earnings development

### Consolidated revenue for continuing operations drops

At €33,812 million, consolidated revenue from continuing operations in the first nine months of the year fell by €6,642 million or 16.4% compared with the prior-year period. Our exit from the domestic express business in the US and negative currency effects of €361 million contributed to this decline. The share of revenue generated abroad fell from 69.6% to 65.8%.

#### Consolidated revenue for continuing operations, 9M



### Arcandor charge impacts earnings

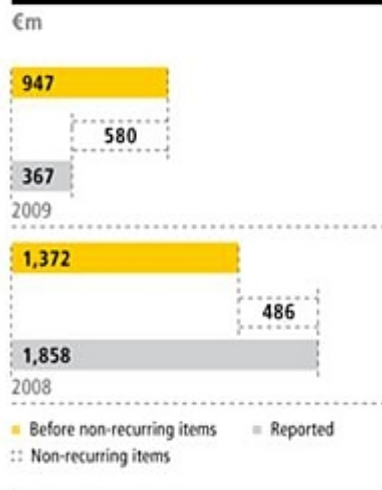
Profit from operating activities (EBIT) from continuing operations fell by €1,491 million to €367 million, a year-on-year drop of 80.2%. The previous year's figure included the non-recurring income from the repayment of the EU state aid and restructuring expenses for the US express business. Non-recurring expenses reduced EBIT by a total of €580 million in the first nine months of 2009. Adjusted for these items, EBIT declined by 31.0% to €947 million. In the third quarter the decline was only 10.0%. Following the Arcandor insolvency, EBIT for the reporting period includes a total expense of €186 million. EBIT before non-recurring items has not been adjusted for this charge.

Net financial income improved from €66 million to €300 million. During the reporting period, it was affected by the remeasurement of the derivatives from the sale of Postbank to Deutsche Bank. The prior-year figure included the interest component of the state aid repayment.

Profit before income taxes from continuing operations declined by 65.3% to €667 million (previous year: €1,924 million).

Income taxes were also lower, at €133 million (previous year: €335 million). All in all, profit from continuing operations fell by €1,055 million or 66.4% year-on-year to €534 million.

#### Consolidated EBIT for continuing operations, 9M



### Lower consolidated net profit for the period

The combined profit from continuing and discontinued operations resulted in the first nine months of 2009 in a consolidated net profit of €966 million (previous year: €1,489 million), of which €927 million is attributable to Deutsche Post shareholders and €39 million to minorities. Basic and diluted earnings per share fell from €1.24 to €0.77. Earnings per share from continuing operations amounted to €0.41, whilst earnings per share from discontinued operations were €0.36.

Further information can be found on our website:

Interim financial statements 9M 2009 [▶ more](#)

Investor conference call on 5 November 2009 [▶ more](#)

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## Outlook

### Outlook for the full year 2009

So far only a very slight volume recovery can be observed and we continue to cautiously assume no significant pick-up in trading in the remainder of the year. We have made good progress in implementing our efficiency improvement measures and we are now expecting the €1 billion savings target in indirect costs to be reached as early as the end of 2009. Customer insolvency risks have materialised in the first nine months to a considerable extent but even in light of further risk from customer insolvencies Deutsche Post DHL is raising the forecast of full-year EBIT before non-recurring items from €1.2 billion to at least €1.35 billion.

Net profit has been significantly supported by the effects from the Postbank transaction. We reiterate our forecast that net profit should be positive for the year.

#### Further information can be found on our website:

Investor News from 5 November 2009 [▶ more](#)

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## Events

### Financial calendar (excerpt)

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

Entire calendar and details of live webcasts [▶ more](#)

There you can copy financial calendar dates directly into your electronic calendar.

Reminderservice [▶ more](#)

We would like to notify you of upcoming events by e-mail.

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