Deutsche Post DHL

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Group results 9M 2011

Business Performance Fully on Track

Frank Appel, CEO
Larry Rosen, CFO

Press Conference
Frankfurt, 9 November 2011

Q3 2011 Highlights

Keeping focus on delivering against targets for 2011 and mid-term

- Ongoing strong performance in Q3 2011 in all four business divisions
  - Top and bottom line momentum continuing
- Stabilization of MAIL EBIT visible
- Margins improving in all DHL divisions

EBIT guidance 2011 increased to above EUR 2.4bn

Agenda

MAIL: Stabilization levers in place (Frank Appel)

DHL: Strong performance in volatile environment (Frank Appel)

Financial results Q3 2011 (Larry Rosen)

Guidance FY 2011 (Larry Rosen)

Mail Target: EBIT Stabilization at EUR 1bn

EBIT stabilization elements being realized

Long-term union agreement

- Comprehensive package for improved productivity and employee satisfaction ✓

New price-cap formula

- More headroom for future price increases ✓

Parcel concept 2012

- Investment in service quality and capacity increase to enable future parcel growth ✓

Wage negotiations

- Negotiations not yet started
- Agreement expected in Q1 2012

Mail: Long-term Union Agreement

Comprehensive package, agreed until 2015

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New flexible model for age-based working solutions

- Option to pay proportion of current salary into worktime account
- Partial-retirement program supplemented by working-time accounts and a demographic fund

Extension of no compulsory redundancy until 2015

Continued outsourcing

- 990 parcel-delivery districts handled by sub-contractors
- Outsourcing of transportation extended by 1,000 drivers

Agreed salary/working condition changes

- 4% lower entry wage for new Mail employees
- New vacation policies based on company service, not age
- Renewal of non-chargeable overtime, work days and short breaks agreements

✓

Mail: New Price Cap Set at CPI-0.6%

New price cap regime offering more headroom

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- Postal price cap decision of Federal Network Agency[1)]
  - New formula: x-factor reduced from 1.8 to 0.6%
  - Reference period for relevant CPI[2)] brought forward by six months
  - Regulation valid until 31 Dec. 2013

- Conclusions for Deutsche Post
  - No price increase for 2012
  - Buffer of +1.2% carried over to 2013 (1.8% inflation rate minus 0.6% x-factor)

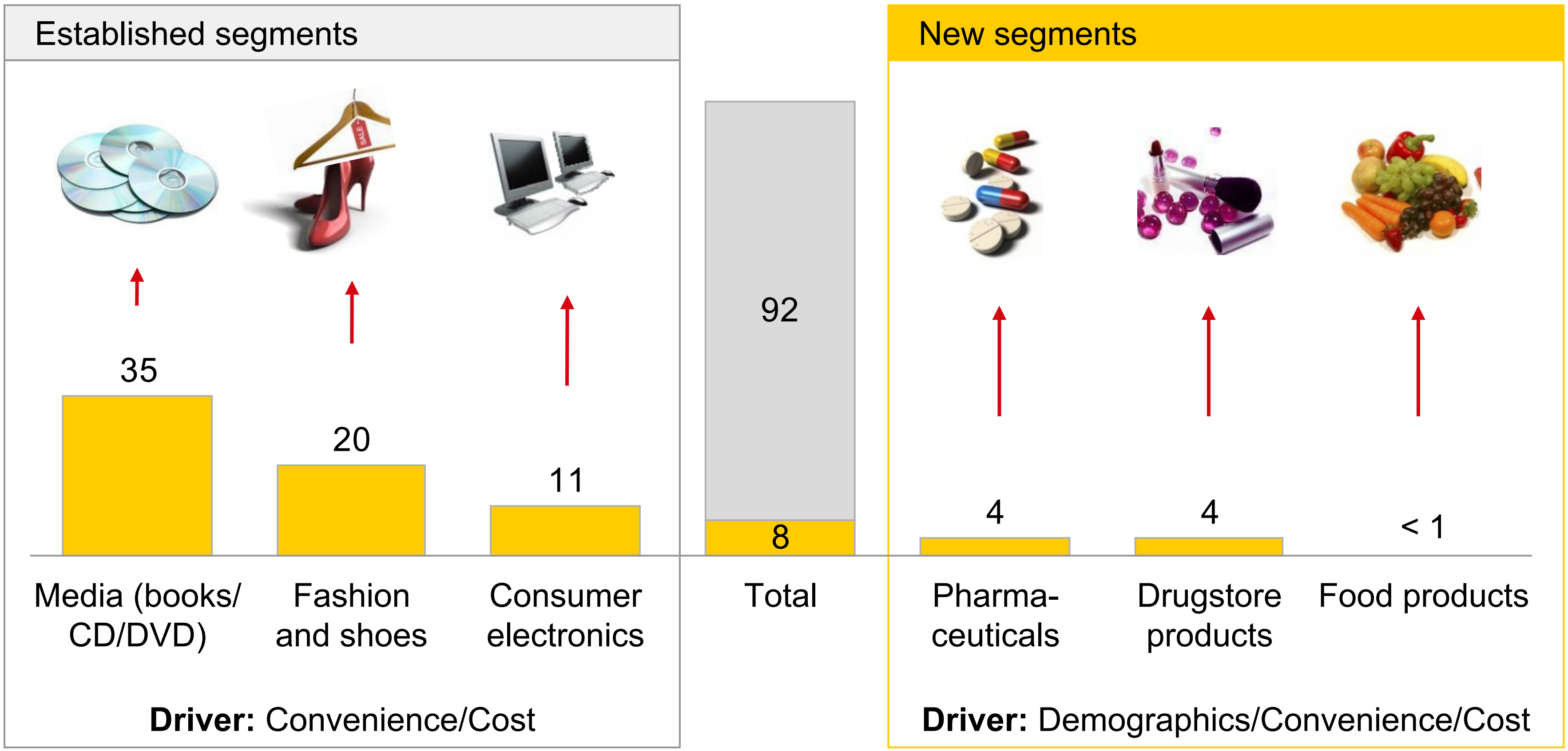
Directly impacted Mail revenues of EUR 3.5bn

1) Federal Network Agency = Bundesnetzagentur; 2) CPI = German Consumer Price Index

Mail: Growth in German Parcel Market

5% market growth until 2020[1] driven by changing consumer behavior towards e-commerce

Online share of total retail spend (by segment, in %)



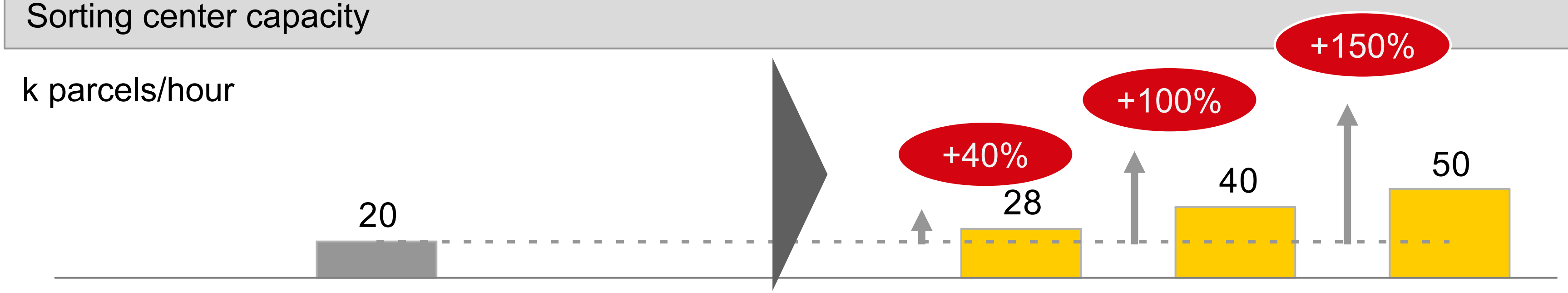
1) Source: Bundesverband des Versandhandels, Gesellschaft für Konsumforschung

Mail: Development of Parcel Sorting Capacity

Investing in enhanced capacity and quality to serve faster than market growth

Today	Tomorrow
• Same capacity at all sorting centers • Configuration of locations largely unchanged since the 1990s • Automated sorting, manual loading and unloading	• Varying capacity depending on the location, like the mail network • Logistically optimized locations • Ultramodern sorting centers, many fully automated

Sorting center capacity



- Double the sorting capacity in the network
- Automation of today's manual processes
- Improve transit time quality to speed of letter

Mail Target: EBIT Stabilization at EUR 1bn

Sufficient elements for EBIT stabilization materializing

EBIT Levers

- Parcel growth
- Digital services (medium-/long-term)
- New pricing regime
- Network flexibility / Productivity improvement
- Labor flexibility / Productivity improvement
- Increased overhead efficiency

Stabilization

EBIT Headwinds

- Structural volume decline due to e-substitution
- Rise in factor cost
- Investments in digital services (near-term)

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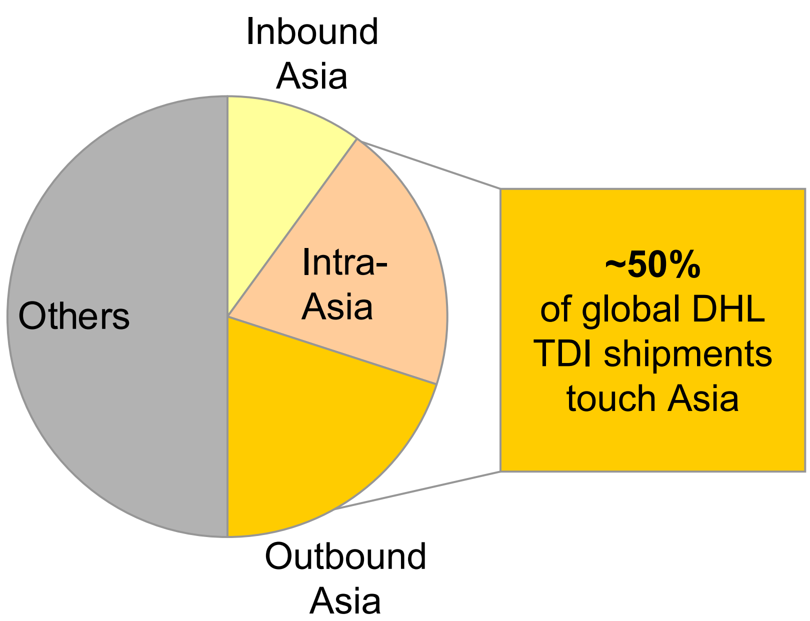
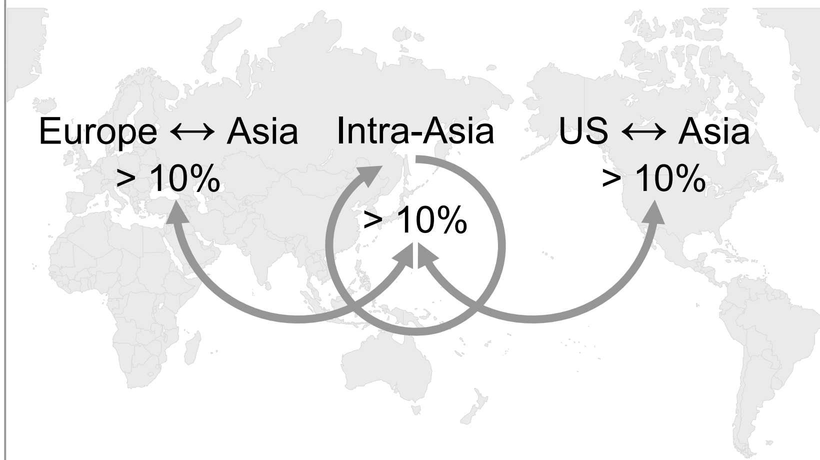
DHL Express: Asia Market Position

Dynamic growth continues: Double digit volume growth on all major Asia-related trade lanes

DHL TDI [1] global shipment flow, by origin/destination



DHL TDI [1] regional trade lanes, Q3 2011, yoy volume growth

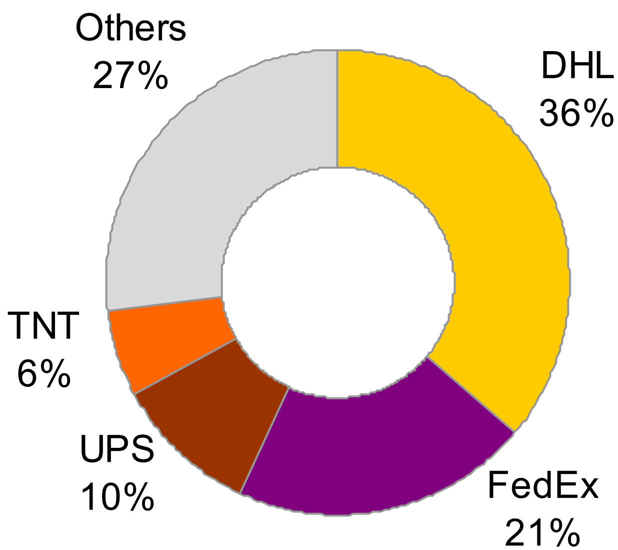


[1] TDI = Time Definite International

DHL Express: TDI[1)] Market Position

Global leading position with particular strength in Asia

TDI [1)] market share in Asia Pacific [2)]



Pioneer/Early-mover in Asia

Examples

Japan
- Operating in Express since 1972

Singapore
- Operating in Express since 1972

Malaysia
- Operating in Express since 1973

India
- Market entry in 1979
- Blue Dart acquisition in 2005

China
- Joint venture with Sinotrans since 1986

1) TDI = Time Definite International; 2) Source: Market Intelligence 2011 (FY 2010 data, MRSC); Scope: AU, CN, HK, IN, JP, KR, SG, TW

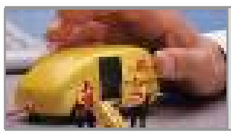
DHL Supply Chain: Strategic products successful in Asia/Pacific

Our strategic products continue to deliver results and offer innovative solutions beyond conventional warehousing & distribution


Co-Packing


Lead Logistics Provider


Airline Solutions


E-Fulfillment


Technical Services

Airline solutions are optimized „Above the Wing“ operations. Services are based upon **globally defined standards** and the support of a dedicated team

Core Services

- Assembly and delivery of catering trays and other “Above the Wing“ products such as „In-Flight-Retail & Entertainment“
- Inventory management, cleaning of equipment and waste management

Benefit

- Reduction of weight, waste, unused products and overall cost through an optimized end-to-end solution

BRITISH AIRWAYS

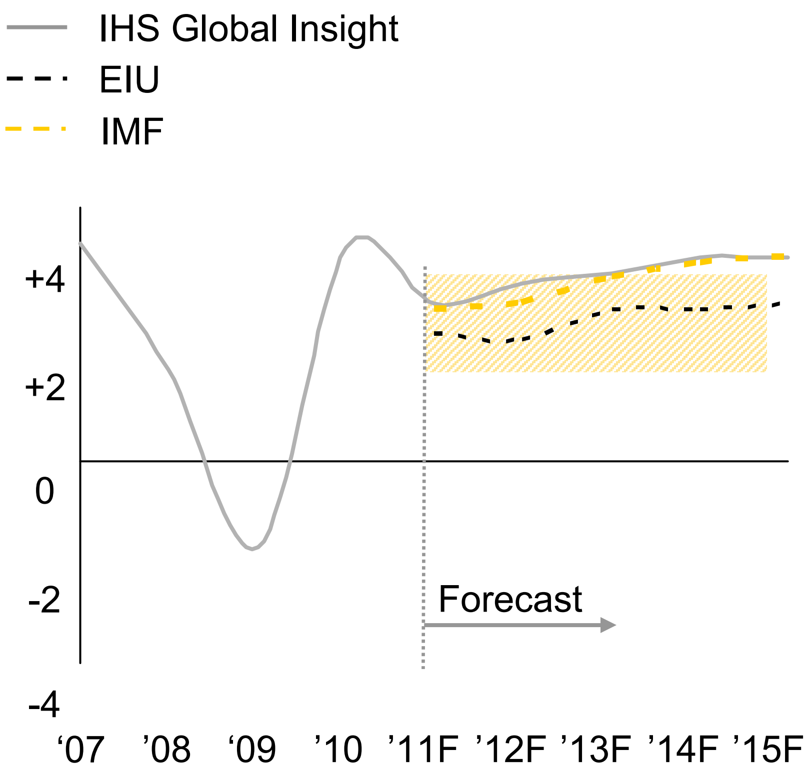
QANTAS

Based on our successful British Airways operations at London Heathrow, we furthered our “Above-the-Wing” product offering through the new Qantas contract in Australia

DHL: Economic Outlook and Implications

Well prepared for volatile environment

Global GDP % growth (real)



Levers for cost flexibility

- Increased proportion of cost structure made variable (e.g. temporary labor in international operations)
- Optimized mix of owned aircraft, short-term leases and long-term leases
- Discretionary spend (e.g. advertising)
- Long-term contracts in Supply Chain, often with agreed minimum volumes

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Group P&L 9M 2011

Ongoing growth momentum in Q3 drives strong 9M figures

EUR mn	9M 2010	9M 2011	Chg.
Revenue	37,610	38,806	3.2%
EBIT[1)]	1,310	1,837	40.2%
t/o Mail	896	861	-3.9%
t/o DHL	716	1,271	77.5%
Financial result	964	-411	NA
Taxes	-162	-356	>100%
Consolidated net profit[2)]	2,054	988	-51.9%
EPS (in EUR)	1.70	0.82	-51.8%

- Reported **revenue** growth affected by adverse fx-effects and divestments. Organic growth of +6.0%
- **EBIT** continues to improve strongly driven by continuous growth in our DHL divisions while Mail EBIT is stabilizing
- **9M 2011 Financial result** was impacted by Postbank effects of EUR -107mn compared to EUR +1,334mn last year
- **Tax** rate in line with 25% guidance
- **Consolidated net profit** up by 52% excluding Postbank effects

1) 2010 EBIT included non-recurring items of EUR -302mn, t/o Mail EUR -4mn and DHL EUR -298mn; 2) Attributable to Deutsche Post AG shareholders

Group P&L Q3 2011

Performance improvement accelerating in Q3

EUR mn	Q3 2010	Q3 2011	Chg.
Revenue	12,799	13,125	2.5%
EBIT[1)]	545	646	18.5%
t/o Mail	257	302	17.5%
t/o DHL	382	440	15.2%
Financial result	-222	-92	58.6%
Taxes	-74	-138	86.5%
Consolidated net profit[2)]	226	385	70.4%
EPS (in EUR)	0.19	0.32	68.4%

- **Revenue** kept growing in Q3 despite ongoing adverse effects from FX and divestments. Organic growth was +5.7%
- **DHL** again posts double-digit **EBIT** growth and margin improvement in all three divisions
- **Mail** also contributed to **EBIT** growth - VAT regulation no longer impacts yoy comparison
- **Q3 2011 Financial result** was impacted by Postbank effects of EUR +26mn compared to EUR -92mn last year
- **Consolidated net profit** and **EPS** increase reflect underlying EBIT improvement and lower financial costs

1) 2010 EBIT included non-recurring items of EUR +2mn, t/o Mail EUR 0mn and DHL EUR +2mn; 2) Attributable to Deutsche Post AG shareholders

Impact of Postbank Transaction on the P+L

Net profit excluding Postbank effects increased to EUR 359mn in Q3 2011

EUR mn	9M 2010	9M 2011	Q3 2010	Q3 2011
Consolidated net profit (reported)[1)]	**2,054**	**988**	**226**	**385**
t/o Postbank effects	1,334	-107	-92	26
Net profit excluding Postbank effects	**720**	**1,095**	**318**	**359**
	+52.1%		+12.9%	

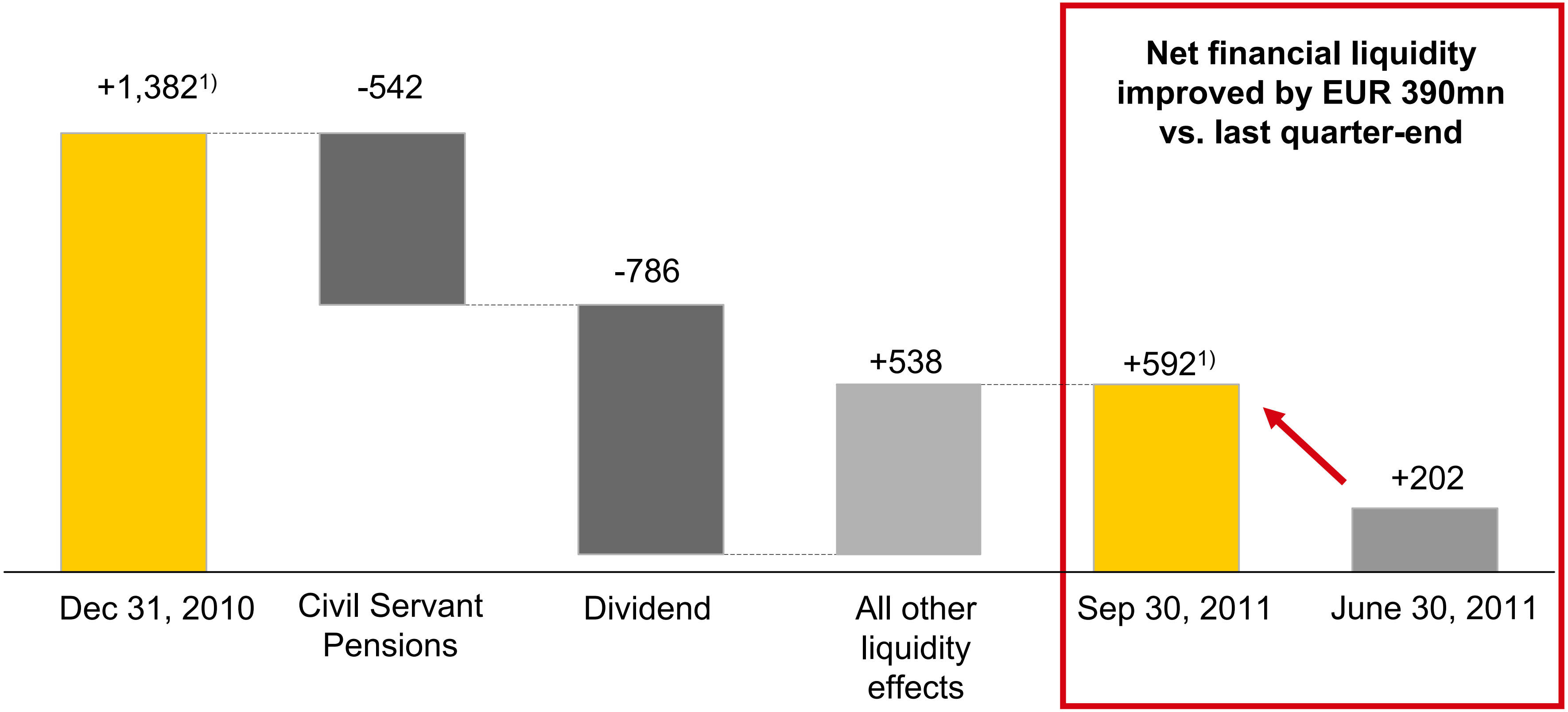
- Postbank effects include
  - At equity result of Postbank until Feb 28th
  - Reclassification of Postbank shares as ‘Assets held for sale’, i.e. no further equity consolidation
  - Postbank valuation effects
  - Interest component for mandatory exchangeable bond and cash collateral

1) Attributable to Deutsche Post AG shareholders

Net Debt (-)/Liquidity (+)

Net financial liquidity reduced compared to year-end 2010 due to annual payment to civil servants pension fund and dividend

EUR mn



1) Adjusted for mandatory exchangeable bond and cash collateral on put options as well as the effects of the net valuation of the financial derivatives related to the Postbank transaction

Highlights Mail Q3 2011

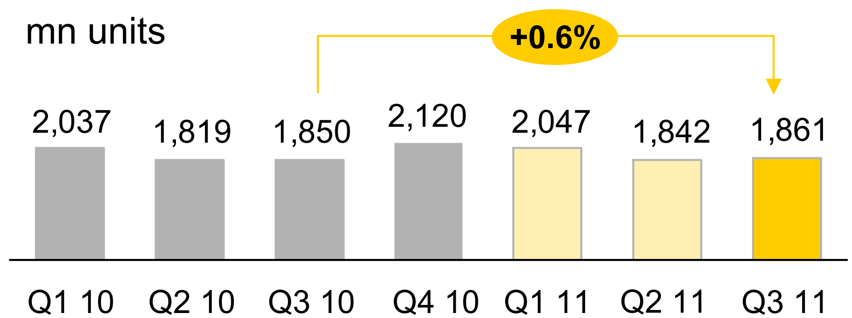
Further steps towards stabilization of Mail EBIT

EUR mn	Q3 2010	Q3 2011	Chg.
Revenue	3,288	3,373	2.6%
EBIT	257	302	17.5%

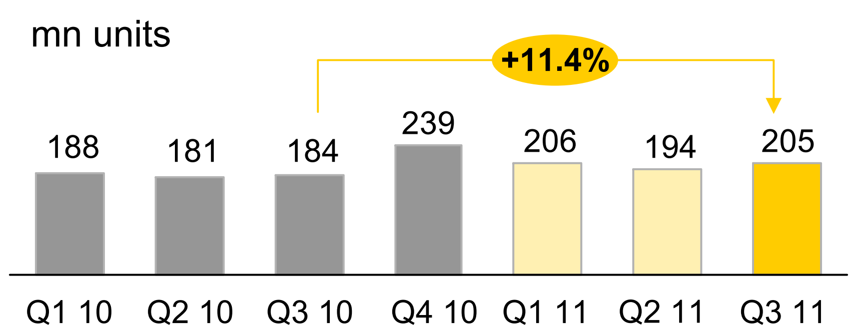
Highlights

- Solid growth in Parcel continues, supported by gradual capacity enhancements
- Stable volume development in Mail Communication so far in 2011
- Union agreement on further labor flexibility
- Legislator sets new price-cap at CPI – 0.6%

Mail Communication volumes



Parcel volumes



Highlights Express Q3 2011

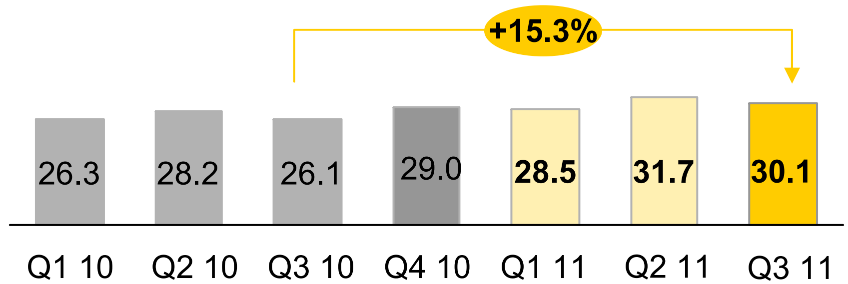
Strong volume growth continues for DHL Express

EUR mn	Q3 2010	Q3 2011	Chg.
Revenue	2,719	2,929	7.7%
EBIT	199 1)	219	10.1%

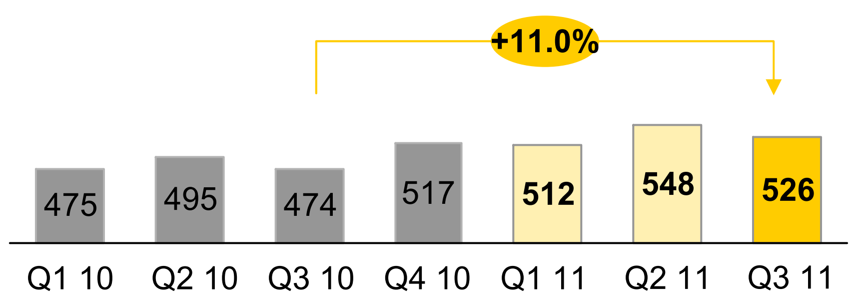
Highlights

- Shipment growth even accelerating in Q3
- Volume growth again clearly ahead of competition
- Further yoy margin improvement as operating leverage and overall cost discipline offset ongoing investments into network, advertising and training
- “Speed of Yellow” global advertising campaign

Time Definite International (TDI) – Revenues per day2) in EUR mn



Time Definite International (TDI) – Shipments per day ‘000s



1) 2010 EBIT included non-recurring items of EUR +5mn; 2) Currency translation impacts are eliminated. Hence, 2010 and 2011 data are aggregated with the same currency rate

Highlights Global Forwarding, Freight Q3 2011

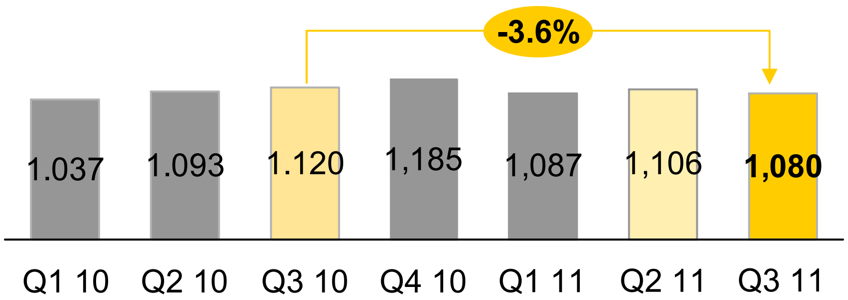
Focused yield management drives gross profit and EBIT improvement despite market softening

EUR mn	Q3 2010	Q3 2011	Chg.
Revenue	3,715	3,787	1.9%
EBIT	100 [1)]	122	22.0%

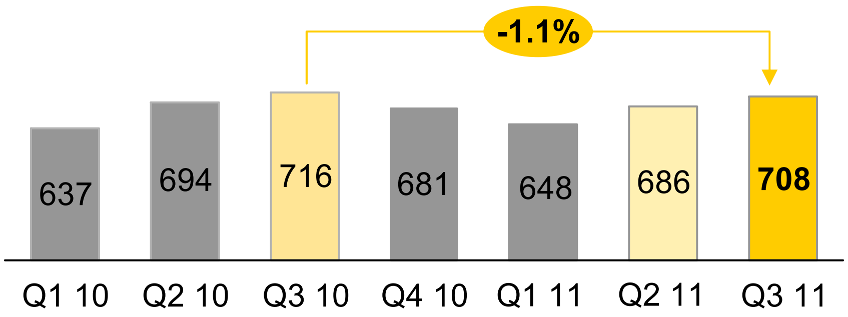
Highlights

- Positive revenue and profit development despite unfavorable currency effects and volatile market environment in Q3
- As expected slightly weaker volumes due to increased general market softening and strong volumes in Q3 2010
- Trend towards higher margin levels driven by favorable buying conditions, profitable growth approach and efficient operations
- Focus on sector strategy and value-added services

Air freight '000s Tons



Ocean freight '000s TEU[2)]



1) 2010 EBIT included non-recurring items of EUR -2mn; 2) Twenty Foot Equivalent Unit

Highlights Supply Chain Q3 2011

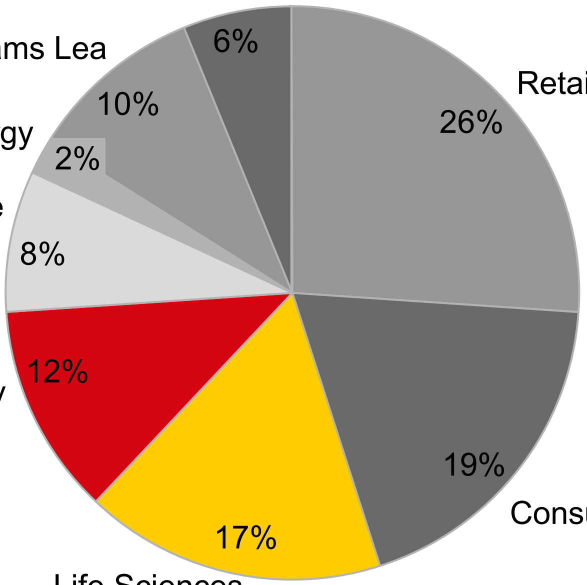
Steady margin improvement continues

EUR mn	Q3 2010	Q3 2011	Chg.
Revenue	3,326	3,323	-0.1%
EBIT	83[1)]	99	19.3%

Highlights

- Continuous growth momentum driven by existing contracts and new business wins
- Asia Pacific again posting the highest growth, now representing 10% of total revenue
- New business of around EUR 280mn in annualized revenue signed in Q3 2011 (Q3 2010: EUR 200mn). Majority of new signings in Retail, Consumer, Life Sciences & Healthcare and Automotive

Revenue by sector Q3 2011



1) 2010 EBIT included non-recurring items of EUR -1mn

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Full-year 2011 Guidance

EBIT guidance increased: Group EBIT above EUR 2.4bn

	2011
Group	**Above EUR 2.4bn** prev. EUR 2.2–2.4 bn
Mail	**~ EUR 1.1bn** prev. EUR 1.0–1.1 bn
DHL divisions	**Above EUR 1.7bn** prev. EUR 1.6–1.7 bn
Corp. Center/ Other	**~ EUR -0.4bn** unchanged

- Net profit excl. Postbank transaction effects to improve in line with operational performance
- Capex not more than EUR 1.6bn
- Tax rate of 25%
- Restructuring will have a considerably lower influence on operating cash flow than last year (in 2011 c. EUR 200mn cash outflow)

Wrap Up

- Stabilization of Mail EBIT now well visible
- DHL remains on growth track
- Confident to sustain and continue our performance improvement in the short- and medium-term

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