

Non-financial Performance Indicators

Employees

Workforce strengthened by takeovers and growth

As of 31 December 2007, the Group employed 475,100 people (full-time equivalents). Although the total number of employees rose year-on-year, the number of civil servants dropped further to 61,172. The  staff costs fell slightly by 0.8% year-on-year, from €18,616 million to €18,471 million.

 Note 12

In the MAIL Division, the number of employees fell by 0.9% to 146,208 but this masked conflicting trends. In the international mail business, the acquisition of The Stationery Office brought some 500 employees into the Group. At the same time, more than 1,000 new jobs were created. In contrast, the number of full-time equivalent employees in Germany contracted by almost 2,800, principally because we further improved workflows, extended the weekly working hours of the mail carriers – by common consent – and outsourced parcel delivery districts.

Measured against the previous year, the number of people employed in the EXPRESS Division rose by 5.7% to 112,727. The increase is attributable to the acquisition of ASTAR Air Cargo, expansion of Leipzig/Halle airport into a European hub, workforce adjustments as well as companies being fully consolidated for the first time. In LOGISTICS, notably operational growth pushed up the number of full-time equivalent employees by 4.5% to 170,130. In addition, over 4,000 employees in Europe were statistically recorded for the first time.

Number of employees

	2006	2007	+/-%
At year-end			
Headcount ¹⁾	520,112	536,350	3.1
Full-time equivalents ²⁾	463,350	475,100	2.5
By division			
MAIL	147,486 ⁴⁾	146,208	-0.9
EXPRESS	106,635 ⁴⁾	112,727	5.7
LOGISTICS	162,787 ⁴⁾	170,130	4.5
FINANCIAL SERVICES ³⁾	22,769 ⁴⁾	22,346	-1.9
SERVICES	23,673 ⁴⁾	23,689	0.1
By region			
Germany	195,577	191,732	-2.0
Europe (excluding Germany)	130,522	133,137	2.0
North, Central and South America	81,175	87,185	7.4
Asia Pacific	46,948	51,852	10.4
Other	9,128	11,194	22.6
Average for the year			
Headcount	507,641	524,803	3.4
Hourly workers and salaried employees	440,203	459,162	4.3
Civil servants	62,560	61,172	-2.2
Trainees	4,878	4,469	-8.4
Full-time equivalents	461,222	470,123	1.9

1) Including trainees.

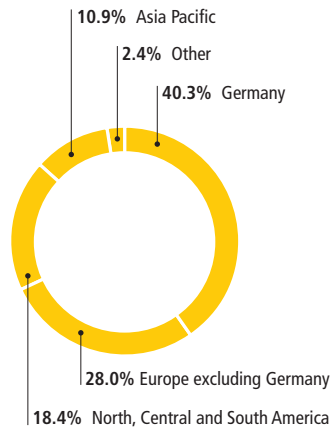
2) Excluding trainees.

3) Of which Postbank 21,895 (2006), 21,474 (2007).

4) Restated.

Employees by region

as at 31 December 2007¹⁾



1) Full-time equivalents.

The FINANCIAL SERVICES Division employed 22,346 people, or 1.9% fewer than in 2006. Staff numbers dropped primarily in the BHW Group and in Postbank branches. In the SERVICES Division, employees were assigned to the service segments at international level. This effect was offset by staff reductions triggered by the further reorganisation of the retail outlet network, which meant that the division's number of employees remained at the prior-year level.

We employ people in 220 countries and territories across the globe. Their regional distribution is illustrated by the adjacent diagram. Germany remains the country with the largest number of employees; however, the workforce there is diminishing. On the other hand, numbers are rising in Europe, America, Asia and the other regions.

Collectively agreed pay rises

The second stage of the collective pay agreement of 13 May 2006 was implemented at Deutsche Post AG with effect from 1 November 2007. The linear wage increase of 2.5% for hourly workers and salaried employees corresponds to a pay rise of 2% compared with the previous year. New collective pay agreements with a term of eighteen months were concluded for some 5,000 people employed by subsidiaries. The companies concerned are DHL Vertriebs GmbH & Co. OHG, DHL Verwaltungs GmbH, DHL Express Germany GmbH, DP IT Services GmbH and the DP property companies. Employees' pay scales were raised by 3.3% with effect from 1 October 2007 or 1 January 2008. Depending on the applicable legacy arrangements, employees received one-off payments of between €400 and €650 for the period between the agreements' conclusion and their taking effect.

Parcel business in Germany reorganised

At the start of 2007, we transferred the German parcel business from the EXPRESS to the MAIL Division. Around 20,000 employees were transferred to the MAIL branches. The transfer took place against the background of a reconciliation of interests and a social plan agreed with the General Works Council.

Excellent health management

At 6.3%, the illness rate at the Deutsche Post Group in Germany remains at a low level. This performance indicator is computed using a new method whereby part-time staff are converted to full-time employees and weekends, public holidays and holiday leave are deducted. For the third year in succession, we received recognition for our health management activities. In a study published by the business daily *Handelsblatt* we occupied first place amongst service enterprises. The certification of our occupational health and safety organisation's quality management system was renewed.

Road safety campaign

In 2007, our occupational safety team launched a road safety campaign throughout the Group. The response was very impressive. Some 76,000 employees of Deutsche Post AG alone attended courses on safe and considerate driving practices in 2007. In the same period, the number of work-related road accidents involving personal injury fell by over 1,300, a decrease of more than 17%. In view of our desire to instil in the workforce a thorough awareness of safety issues, the successful Global Road Safety Initiative is to continue for at least two more years.

Training pact targets exceeded



In 2005 Deutsche Post AG agreed in a training pact with the service sector trade union, ver.di, to offer 2,300 traineeships in Germany every year until 2007. We continued to meet our obligations under this agreement in the year under review. Furthermore, the provision requiring us as a general rule to offer employment to 30% of trainees and students in *Berufsakademie* (German universities of co-operative education) programmes in the period from 2007 to 2009 applied for the first time. We actually offered posts to most of the suitable candidates upon completion of their training programmes and therefore far exceeded the quota agreed in the training pact.


Cultivating talent, caring for the disadvantaged

We have developed a separate programme specifically to recruit, foster and retain particularly capable trainees and *Berufsakademie* students. We undertake to offer permanent employment to the best trainees and students in each year's group who successfully complete the training programme, a clear incentive for improving performance and raising commitment. For several years, we have been running the Youth Job Market Entrance Qualification programme. This long-term internship serves as a foundation for formal vocational training and thus improves the prospects of young people with restricted access to the employment market. In 2007, we offered traineeships for skilled positions in courier, express and mail services to just under 90% of the 280 young people who embarked on the programme in 2006.

Treating each other with respect

We not only respect but encourage diversity in our workforce. Everyone is assessed exclusively according to their skills, performance and conduct. We are developing special programmes to ensure equal opportunities for all. The mentoring programme, for example, which develops the skills of those aspiring to management positions, was extended in 2007 to embrace the entire Group. In December, we signed the charter of diversity, once again underscoring the fact that we foster a climate of acceptance and trust.

We continued to translate our seven  corporate values into action in 2007. In numerous workshops, our employees developed measures relating to everyday work experiences. Alongside the binding terms of reference introduced by the  Code of Conduct in summer 2006, we launched an internet-based information tool in spring 2007.

 Strategy and goals, page 32

E-learning

At the start of 2008, we launched an internal training platform on the internet at www.mylearningworld.net. It currently offers around 200 courses and seminars on a variety of subjects. The curriculum reflects the skills promoted by our human resources development system and thus facilitates focused personal development.

Initiative prize for House of Finance training programme

Our House of Finance programme is targeted at all employees in finance wishing to expand their knowledge in this area. The Group was awarded the *Initiativpreis Aus- und Weiterbildung*, a training and continuing professional development prize, for this programme in 2007.


Everyone counts

An employee survey was conducted in most divisions again in 2007. Responding to questions concerning customer orientation, commitment and active leadership, the workforce pointed to existing strengths and potential for improvements. The results are to form part of our continuous improvement process. The next Group-wide employee survey is scheduled to take place in 2008.

Employees improve workflows

In the reporting period, Deutsche Post employees submitted 202,000 suggestions for making workflows more efficient, reducing repair and energy costs, and improving environmental protection. The benefit to the company totalled €257 million. According to a study of idea management produced by the magazine *Wirtschaftswoche*, we remain the leading non-manufacturing company in this area.

Careers online

In recent years, career portals on the internet have become one of the foremost recruiting instruments. Our  website is well structured, clearly laid out and varied. In the Top Employer Web Benchmark 2007 ranking published by Potentialpark Communication, the Swedish market research institute, it once again reached the number one spot in both Germany and Europe. Each year, we advertise more than 19,000 jobs online and our database already encompasses over half a million candidates.

 dpwn.com/career

Forward-looking personnel planning

In the interests of sustainable human resources planning, we monitor demographic developments. It was in this context that we devised a simulation model in cooperation with the *Forschungsinstitut zur Zukunft der Arbeit* (Institute for the Study of Labour) which is currently being tested in a number of different countries. Using the so-called demographic risk monitor, potential risks can be identified at an early stage and pointers to possible courses of action gained. Following analysis of the test results, this control instrument will be made available to the divisions to help them in their planning.

Talent-seeking

Following the introduction four years ago of our uniform Group-wide performance management system, motiv8, we have now created the post of internal talent broker, whose job is to use the results of the annual evaluation process to fill even more management vacancies from within our own ranks.

Developing leadership skills


Four events took place under the auspices of the International Business Leadership Programme in 2007. Some 100 managers from twenty countries took the opportunity to meet and talk to the Group's Board members and executives, as well as representatives of other companies. The participants honed their leadership skills through active learning orientated towards the requirements of the everyday working environment. The outcomes of case studies have helped to shape corporate strategy, amongst other things through ideas on improving co-operation between divisions.


360-degree feedback

In 2007, we introduced a procedure throughout the Group for generating personal performance feedback not only from supervisors but also anonymously from peers and subordinates. Entitled "360-degree feedback" and intended to promote both personal development and self-reflection, this option is available to all managers. In the same context, we also offer team development courses and individual coaching sessions.


Sustainability

Guiding principles and mission

We continue to conduct ourselves responsibly towards the environment, other people and society, guided by seven  corporate values that reflect our company's mission.

 Strategy and goals, page 32

In order to establish binding terms of reference, we introduced a Code of Conduct in 2006. It is based on international guiding principles including the Universal Declaration of Human Rights, International Labour Organisation Conventions and the United Nations Global Compact.


Our strategy and key initiatives are published on the  internet and in our sustainability report, the next issue of which will be published in mid-2008.

 dpwn.com/sustainability

Improved performance

The effectiveness of our action on sustainability is also monitored by external rating agencies. According to Sustainable Asset Management (SAM), our rating improved from 67 in 2006 to 74/100 points in 2007. We were omitted from the latest European Dow Jones sustainability index, the DJSI STOXX, but the FTSE4Good Index confirmed our company's membership. We also remain in the Advanced Sustainability Performance Index Eurozone maintained by the French rating agency Vigeo and in the KLD Global Climate 100 Index.

Challenge of climate protection

Protecting the climate in compliance with the  Kyoto Protocol and improving carbon dioxide (CO₂) efficiency were our principal environmental goals in the year under review. We calculate our greenhouse gas emissions with a continuously refined CO₂ monitoring system based on an international standard (the Greenhouse Gas Protocol published by the World Resources Institute and the World Business Council for Sustainable Development). In 2006, we were able for the first time to record all CO₂ emissions directly caused by us. These totalled around 6.1 million tonnes.

 dpwn.com/sustainability

Until there are economical large-scale alternatives to fossil fuels, we must seek to organise all logistics processes so efficiently that the rising demand for goods transport is not accompanied by an equivalent increase in emissions. As the examples below indicate, we are embracing this challenge.

By way of our GOGREEN options, we are currently the only logistics service provider to offer climate-neutral products, which offset the emissions associated with their shipping through climate protection projects. In Germany, the product range encompasses the *Pluspäckchen* (small packet plus postage) for retail customers, online franking and parcels for mail order customers. In January 2007, we also began offering climate-neutral express delivery services to business customers in Europe.

We are investing in modern, fuel-efficient cargo aircraft, such as the Boeing 767-300 ER. Our road fleet also uses alternative powertrains, including hybrids, and burns renewable fuels, such as vegetable oil. We also consolidate shipments and optimise route planning.

The infrastructure of our new central air freight hub for Europe, in Leipzig, will emit about 3,000 fewer tonnes of CO₂ each year than conventional systems, thanks to photovoltaic technology and cogeneration.

More than 35% of our employees now work with environmental management systems audited in compliance with ISO 14001. We developed the underlying concept ourselves in a six-stage plan.

Accepting social responsibility

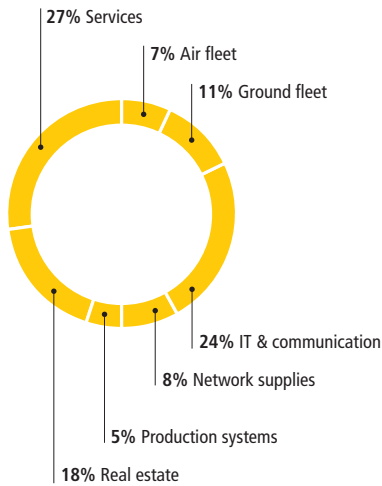
Our partnership with the United Nations Development Programme (UNDP) and the United Nations Office for the Co-ordination of Humanitarian Affairs (OCHA) forms a cornerstone of our socio-political commitment. We have enlarged our disaster relief organisation, which now comprises three well-qualified teams in Singapore, Miami and Dubai. These disaster response teams cover the Asia Pacific region, America, the Middle East and Africa – more than 80% of the world's territory most frequently visited by catastrophe – co-ordinating logistics for incoming aid at local airports in order to help avoid supply bottlenecks. In conjunction with the UNDP, we also improved our disaster mitigation provisions in 2007. Airport managers and employees are learning about pre-disaster planning through the GARD (Get Airports Ready for Disasters) programme.

We are supporting the United Nations Children's Fund (UNICEF) in the global struggle against infant mortality by providing logistics services and financial aid, and through our employees' personal engagement. As reported in 2006, we helped UNICEF to distribute about 3.5 million mosquito nets in Kenya as part of Africa's largest vaccination campaign. We thus contributed to reducing the number of children under the age of five dying from malaria from 34,000 in 2005, according to the World Health Organisation, to 16,000 in 2006. Twelve volunteers from Deutsche Post World Net spent two weeks working for UNICEF in Kenya and taking part in local preventive healthcare programmes. In 2008, we are extending the international reach of our co-operation with UNICEF to include Asia and South America.

In the year under review, our social responsibility found further expression in more than 250 regional and local initiatives. We transported and distributed aid, for example, following the extremely cold spell in Peru, and supported orphans in Angola. We also used Fair Trade products as giveaways, and sponsored school and cultural projects in Bonn, the home of our corporate headquarters.

Procurement expenses, 2007

Volume: €10.3 billion



Procurement

Purchasing of goods and services

Corporate Procurement purchased goods and services with a total value of about €10.3 billion in the year under review. Spending was higher than in 2006 (€9.5 billion) because of the integration of Williams Lea and other factors. Transport services are generally procured by the individual units, with Procurement providing advice on a project basis.

Procurement organisation streamlined

Procurement is a centralised function. The Group employs sixteen product group managers worldwide who work closely together with regional procurement managers. We have optimised Procurement's regional structure with effect from 1 December 2007; and the regions now comprise: Germany/Austria/Switzerland, UK/Ireland, Europe/Middle East/Africa, North America, South America and Asia Pacific. Product group managers and regional procurement managers report to the head of Corporate Procurement. This line reporting structure enables us to pool our needs worldwide while satisfying the service and quality requirements of internal customers.

We seek continuously to improve our performance. Our success in 2007 was corroborated by a study produced by the European Business School, which compared the purchasing departments of 35 other companies with our own. In direct comparison, Deutsche Post Procurement ranked amongst the leaders as regards both procurement cost and economies achieved in relation to procurement volume.

As ever, our success depends on the skills and quality of our employees. For this reason, we extended our Fit4 Procurement programme in the year under review to embrace all the regions; we also conducted numerous subject-specific training courses.

Compliance with environmental guidelines

The principal procurement initiatives during the year attached a high priority to environmental aspects of our business. In Germany, for example, electricity supply agreements were concluded primarily with producers using renewable energy resources. From 2008 onwards, more than 60% of the electricity consumed by our headquarters and branches will come from eco-friendly sources. This will enable us to reduce CO₂ emissions by more than 200,000 tonnes a year. Furthermore, purchasing in tranches enables us to pare administrative costs and secure price advantages for the next one to two years. This procedure allows us to take market pricing trends into account since purchasing is done in tranches throughout the year rather than all at once.

In the United Kingdom, the supply of electricity and gas was put out to tender. In the light of this, our Group subsidiary DHL converted its 104 main facilities to renewable energies. The target is to reduce annual CO₂ emissions by 98,000 tonnes. In Asia and Europe, we have reduced the size of the air waybill, thus eliminating 200 tonnes of paper and the associated costs every year.

We also apply environmental criteria to the purchase of vehicles. Our focus here is on fuel consumption and emission class in accordance with the EU classification.

Working together with customers and suppliers

We have stepped up our co-operation with our internal business partners. The First Choice programme was rolled out throughout Procurement. This Group-wide programme, which aims to enhance our customer relationships, has already given rise to several initiatives. It is driving our endeavour to understand and satisfy our partners' requirements more effectively.

Procurement regularly reviews key suppliers' service quality with its business partners in order to identify potential weaknesses at an early stage and arrange suitable improvement measures with the suppliers. This has enabled us to substantially raise both the quality of services and our internal customers' satisfaction.

Quality

Technological leadership in mail

We reach our customers in Germany via a nationwide transport and delivery network. At the heart of this network are 82 mail centres processing an average of around seventy million items per working day and 33 parcel centres with a handling volume of around 2.5 million units per working day. The extent of automation in our mail business continues to rise; we pushed up the rate from 89% of items in 2006 to more than 90% in the year under review.

We use all available technical and operational options to ensure high-quality and efficient mail processing. In 2007, we tested new machines in our mail centres. These are now capable of sorting flat mail (large letters), achieve almost three times the throughput of current machines and offer enhanced functionality.

Regular market research and the focused processing of complaints tell us that our customers expect us to achieve the highest possible quality standards. The criterion they apply to evaluate the quality of our services is whether mailed items reach their destinations quickly, reliably and undamaged. To satisfy these requirements, we manage quality according to a system audited by the *Technischer Überwachungsverein* (TÜV – German technical inspection association) and certified for compliance with ISO every year. We also have our performance evaluated by Quotas, a quality research institute.

In the year under review, we once again achieved the excellent mail transit times posted in 2006. In Germany, over 95% of the letters posted during our daily opening hours or before the final collection are delivered to their recipients the next day.

MAIL in figures

- Private customers: 39 million
- Business customers: 3 million
- Letters in Germany: 70 million per working day
- Parcels in Germany: 2.5 million per working day
- International items transported: 7,457 million
- Production facilities: 162

📌 Sustainability, page 76

📌 Strategy and goals, page 31

EXPRESS in figures

- Countries and territories: 220
 - Hubs: 36
 - Service points: 50,000
 - Customers: 8.3 million
 - Vehicles: 72,000
 - Aircraft in service for DHL: 350
-

We also improved our already outstanding parcel transit times: Delivery, or attempted delivery, of 95.5% of all parcels processed at outbound parcel centres to their recipients took place within the stipulated transit time – by either the next working day or the day after, depending on the distance.

Our transit times for international letters – as determined in a study by the Universal Postal Union – are significantly better than the standard set by the European Union (EU). As in previous years, our quota for three-day delivery of cross-border items mailed within the EU was 96% against the EU requirement of 85%.

We regard working practices that protect the environment as a further yardstick of quality. In Germany, we employ environmental management systems in both our mail and parcel businesses. Within the framework of our 📌 GOGREEN initiative, we offer private and business customers climate-neutral shipping options.

Express services driven by customer satisfaction

The overriding goal of our quality endeavours in the field of express delivery is to satisfy our customers. Our 📌 First Choice initiative ensures that we meet the customers' high demand for speed and reliability. We are focusing above all on operating performance and customer contact.

The capacity to deliver on time is an important quality indicator. Our central quality measuring programmes allow us to determine the punctuality of deliveries, to analyse delays in individual process stages and to seek ways of accelerating delivery to customers. For this purpose, we have set up global, regional and national teams that work closely together.

The Quality Control Centres are at the heart of our global network. Using state-of-the-art equipment, their employees effectively monitor the performance of our inter-continental flight network and all other transport processes on a daily basis. They track the course of shipments from collection to delivery in real time and provide customers with advance information. We will introduce further quality control centres in all regions. We are already operating such centres to good effect in 26 locations in the Asia Pacific region.

Consistently high quality of service is crucial for a global network operator. We therefore regularly monitor the compliance of our workflows, for instance, to establish whether the required data are delivered in full and on time.

We constantly strive to improve our services in order to more closely satisfy customers' wishes. By regularly conducting customer surveys, we determine whether we are succeeding in this respect. Amongst the key criteria are the availability of our customer service organisation and the speed with which customers' inquiries are processed.

In 2007, as in the preceding years, we once again received several awards from international media and our customers, including:

- “Best International Express Operator 2007” from the magazine Air Cargo Weekly.
- “International Express Operator of the Year” in the UK for the third year in succession.
- The “Mobile 2007” award in the Polish transport business.
- “Best Company for Express Air Freight” from the Portuguese trade journal, Transportes & Negócios.
- In India, we were recognised by the readers of Avaya Global Connect and The Economic Times for our “Customer Responsiveness in the Logistics Industry”.
- The Centre for Customer Satisfaction and Loyalty in Indonesia also expressed its approval by presenting us with the “Best Call Centre Award for Service Excellence”; we also received similar awards in Australia and China.
- “Best Customer Support of the Year” award from the Japan Institute of Information Technology.
- The American Business Award for our human resources work.

Focus on logistics customer satisfaction pays dividends

In the logistics business, we seek to dovetail our services with customers’ needs. Since our business is built on long-term customer relationships, the extent to which existing agreements are renewed is a key indicator of quality. In 2007, the contract renewal rate was 84% (previous year: 77%).

In 2006, we began regularly and systematically polling our customers on their wishes and satisfaction with our services. Surveys were again conducted in the reporting period, covering customers in all business units and regions. The results are used to form part of our continuous improvement process.

In the year under review, we once again received several awards for the quality of our services. The principal ones were:

- “Best European 3PL Awards” from the website eyefortransport.
- The “Asia Pacific 3PL Award” at the SCM Logistics Excellence Awards.
- The “European Retail Solutions Award” for project implementation of the year.
- DHL Exel Supply Chain was named provider of the year by Volvo in Brazil.
- We received the “Provider of the Year” award at the Middle East Supply Chain and Transport Awards.
- The “EPA SmartWay Environmental Excellence Award” for DHL Exel Supply Chain in the USA.
- In Mexico, we won the accolade of “most responsible company” and the Volkswagen Group’s award for outstanding supplier performance.
- DHL Exel Supply Chain occupied second place in the list of leading 3PL companies published by Inbound Logistics magazine and the Transport Topics newspaper named us the best logistics company.

LOGISTICS in figures

■ DHL Global Forwarding

- Countries and territories: 150
- Locations: 810
- Air freight volume: 4.4 million t
- Ocean freight volume: 2.8 million TEUs

■ DHL Exel Supply Chain

- Countries and territories: 60
- Distribution centres: 2,500
- Warehouse space: 23 million m²

■ DHL Freight

- Terminals: 160
- Transport volume: 40 million t
- Full truckloads: 2 million

Postbank in figures

- Customers: 14.5 million
 - Private customer current accounts: 4.9 million
 - Savings volume: €60.5 billion
 - Volume of brokerage accounts: €11.5 billion
 - Private loans: €2.9 billion
 - Corporate customer loans: €17.6 billion
 - Private mortgage lending: €68.0 billion
-

📌 Strategy and goals, page 31

Retail outlets in figures

- Deutsche Post employees: 6,939
 - Total outlets: 13,526
 - Own outlets: 5,440
 - Partner outlets: 8,086
 - Average weekly opening hours: 42
-

High accessibility critical for Postbank

As the leading financial services provider for private customers in Germany, Postbank measures the quality of its services, amongst other things, by the ease of access for its 14.5 million customers.

Postbank has also developed key indicators that are subject to regular internal measurement and evaluation procedures. These include the average duration of customer transactions, the skills of employees who have direct contact with customers and waiting times in the Postbank branches.

Customer loyalty is another quality benchmark. It is measured by the number of regular customers and the average number of products purchased by each one.

Enhanced customer focus in internal services

At Global Business Services, the priority in the year under review was on further enhancing customer focus in internal services. This is closely linked with the 📌 First Choice initiative. We surveyed customers and business partners within the Group to find out how satisfied they are with our services, and their responses have led to numerous improvements. Marked gains have already been achieved on a number of quality indicators such as response times and IT system availability. We will be repeating the customer satisfaction survey yearly from now on.

Local retail outlets as nationwide sales platform

Our “non-mobile” sales network of more than 13,500 retail outlets is one of the most extensive in Germany. Every day, these outlets welcome two to three million customers who come there to use postal services and, in many cases, to take care of their banking needs. We are also currently testing around 900 new Postpoint format outlets, which are located, as are our partner outlets, in different kinds of shops, to ensure proximity to customers and high accessibility.

We have been co-operating successfully with the retail trade for fifteen years. Currently, more than 8,000 outlets are operated by partners offering postal services and in most cases banking services in addition to their own main product range. As this sales model benefits everyone concerned we plan to expand it: Customers profit from short distances; partners benefit from growth in customer numbers and income; and Deutsche Post demonstrates its proximity to the customer whilst improving efficiency. The postal services provided under the Deutsche Post and DHL brands are also available in the 855 finance centres of Postbank.

Brands

One Group, three brands

Deutsche Post World Net is active in the market with three brands: Deutsche Post, DHL and Postbank. Each stands for high-quality products and services, and market research studies have confirmed that each is well established amongst its individual target groups. The awareness of Deutsche Post in Germany amongst both private and business customers has been measured at a consistently high 95% or so for many years.

Awareness of the Postbank brand is similarly high. With a score of around 95%, it ranks amongst Germany's most well-known financial institutions.

In addition, the brand awareness of DHL is steadily increasing amongst its target audiences in the international mail, express and logistics segments. It currently stands at some 93%. In addition, we have further successful segment brands, regionally and at the business unit level, including Exel, Williams Lea, The Stationery Office and BHW.

Clearly orientated brands

Our brands face tough competition from both domestic and international providers. To facilitate our customers' purchasing and investment decisions, we have adopted a clear orientation for each of our brands, in order to communicate clearly what they essentially stand for and the customer benefits they embody.

The Deutsche Post brand stands for personal proximity, reliable quality and ground-breaking services. Its success is built on industry leadership, a unique infrastructure in Germany and consistently high quality in the mail business.

DHL is a brand acknowledged for personal commitment, proactive solutions and local strengths in the global arena. Its commitment stems from the personal dedication of around 285,000 employees and their customer orientation. We employ our extensive services in a forward-looking manner in order to offer every customer a suitable solution. Our branches in 220 countries and territories make us a genuine global player.

The performance pledge of the Postbank brand is: simple, better and more flexible. Above all, our success is founded on readily understood products, easy access to our services and competent financial advice covering the entire product portfolio on attractive terms.

Brands and business units

■ Deutsche Post

- MAIL Germany

■ DHL

- EXPRESS
- LOGISTICS
- MAIL International
- PARCEL Germany

■ Postbank

- FINANCIAL SERVICES
-

Substantial value

Brands are a vital factor in value creation, as illustrated by the efforts of numerous market research institutes to determine the special value brands have for the companies they represent. Semion Brand Broker, for example, has analysed Deutsche Post according to the following criteria for its “famous German brands” ranking: financial value, brand protection and image, and brand strength, which is expressed in terms of market share, marketing activities, distribution rate, awareness and coherence of the branding. For 2007, Semion calculated a brand value of €15,711 million for Deutsche Post. It thus ranks in fifth position amongst the leading German brands. The value of the DHL and Postbank brands has not as yet been assessed.


Investing in establishing and developing our brands

In the year under review, we invested some €120 million in directly establishing and developing our brands. Activities include advertising and sponsorship measures, as well as direct marketing campaigns, trade fair presentations, market research, internal communications, press relations and sales support.

In keeping with its global presence, the DHL brand attracted around half of the development budget. A quarter was earmarked for each of the German domestic brands, Deutsche Post and Postbank.

Research and development

As a service provider, Deutsche Post World Net does not engage in research and development activities in the strict sense, and therefore has no significant expenses to report in this connection.

Nonetheless, we are always seeking to harness technical innovation for our services. In Troisdorf near Bonn, for example, we opened the  DHL Innovation Center in March 2007. Here, the Group is bringing together the various entities that have been responsible for managing technical innovation thus far. The goal and task is to place our practical knowledge at the disposal of our partners in such a way that emerging trends in logistics are translated into innovative, marketable products. Our technical partners in business include IBM, Intel and SAP. The Innovation Center comprises a vibrant exhibition area alongside a conference suite.

 dpwn.com/future