INTERIM REPORT

2009

2

January to June

PUBLISHED ON 31 JULY 2009

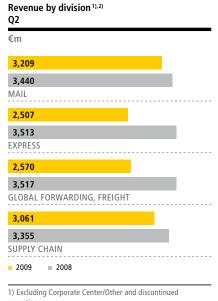


Key figures

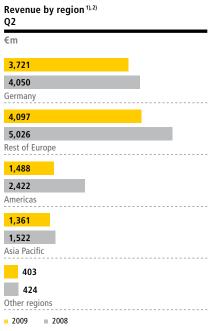
Selected key figures 1)

		H1 2008 adjusted	H1 2009	+/-%	Q2 2008 adjusted	Q2 2009	+/-%
Revenue	€m	26,653	22,575	-15.3	13,444	11,070	-17.7
Profit from operating activities (EBIT) before non-recurring items	€m	952	569	-40.2	413	257	-37.8
Non-recurring items	€m	-47	-433	_	-47	-148	_
EBIT	€m	905	136	-85.0	366	109	-70.2
Return on sales ²⁾	%	3.4	0.6		2.7	1.0	
Consolidated net profit for the period ³⁾	€m	614	1,010	64.5	231	66	-71.4
Operating cash flow	€m	623	-229	-136.8	482	46	-90.5
Net debt ⁴⁾	€m	2,412	136	94.4	_	_	_
Earnings per share ⁵⁾	€	0.51	0.84	64.7	0.19	0.06	-68.4
Number of employees ⁶⁾		456,716	440,784	-3.5	455,654	435,468	-4.4

¹⁾ Excluding Postbank. 2) EBIT/revenue. 3) Excluding minorities, including Postbank. 4) As at 31 December 2008 and 30 June 2009; adjusted for the mandatory exchangeable bond and financial liabilities to Williams Lea shareholders. 5) Including Postbank. 6) Average FTE, the figure for H1 2008 is an average for the year.







- 1) Excluding Postbank.
- 2) Segment reporting, page 30.



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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Deutsche Post DHL

Dr Frank Appel

Chief Executive Officer Deutsche Post AG

30 July 2009 First half-year of 2009

Deer Stareholders,

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 $\in 2$ 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 $\mathfrak{S}1.2$ 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 <u>Die</u> Post für Deutschland (<u>The</u> Postal Service for Germany) and become <u>The</u> 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,

Business and Environment

Organisation

New Chief Financial Officer appointed

The following changes were made to the Board of Management: Chief Financial Officer, John Allan, retired as planned on 30 June 2009. He will be succeeded by Lawrence A. Rosen, who will begin on 1 September 2009. Dr Frank Appel will assume responsibility for Finance in the interim.

We made regional adjustments to our business in the Americas. On 30 June 2009, we merged North and Latin America into the Americas region within the GLOBAL FORWARDING, FREIGHT Division. Our intention is to strengthen our market position and improve gross profits.

In the second quarter, we adapted our HR organisation to match the new Group structure. Deutsche Post and DHL now have separate HR units.

Economic parameters

World economy remains in the grips of recession

The severe recession continued in the first half of 2009. World trade fell dramatically at the beginning of the year, with export-orientated economies suffering the most from this development. However, since the spring there have been some initial signs that the economic climate will not continue to worsen over the remainder of the year.

Economic output in the United States fell heavily once again at the start of the year. Private consumption did not provide any noteworthy impetus; however, exports effectively propped up the economy. In light of the severity of the financial and economic crisis, the Us Federal Reserve kept its key interest rate at between 0% and 0.25%.

In the emerging markets of Asia a recovery may even be on the horizon after an equally weak start to the year, thanks not least to China's massive economic stimulus plan. GDP in China grew once again year-on-year, rising by 7.9% in the second quarter. Japan, which suffered early in the year from a major collapse in exports and industrial production, is also presumed to have increased its economic output again in the spring.

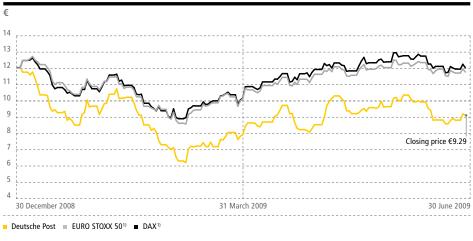
The economy in the euro zone remained very poor through mid-year. Although the sharp downward trends in exports and industrial production levelled off in the spring, exports and production were consistently well below the prior-year level. The European Central Bank reduced its key interest rate to a record low of 1% in order to boost the economy.

The drop in world trade at the beginning of the year had a greater impact on Germany than on the euro zone as a whole. However, exports and industrial production in Germany also stabilised in the spring, albeit at an extremely low level. This was reflected in the Ifo Business Climate Index – a barometer of German business confidence – which rose in July for the fourth month in a row.

Capital Market

Deutsche Post shares

Share price performance



¹⁾ Rebased on the closing price of Deutsche Post shares on 30 December 2008.

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 ϵ 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.

Key share data

		30 Dec. 2008	30 June 2009
Number of shares	millions	1,209.0	1,209.0
Closing price	€	11.91	9.29
Market capitalisation	€m	14,399	11,232
		H1 2008	H1 2009
High	€	24.18	11.91
Low	€	16.57	6.65
LOW			

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

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 ϵ 478 million in the first half of 2009 – ϵ 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 ϵ 540 million in the first half of the year.

Earnings, Financial Position and Assets and Liabilities

Significant events

Annual General Meeting approves proposed resolutions by a large majority

We reported on this year's Annual General Meeting, which was held on 21 April 2009, and the key resolutions passed there on page 23 of the Interim Report for the period from January to March 2009.



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 \in 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.

Earnings

Changes in reporting and portfolio

We reported Postbank's activities as discontinued operations until it was sold at the end of February. The Pension Service was already reallocated from the former FINANCIAL SERVICES Division to the MAIL Division in the third quarter of last year. We report our other business activities as continuing operations.

Consistent with international practice and to improve the clarity of presentation, we no longer report the return on plan assets in connection with pension obligations as part of EBIT but under net finance costs/net financial income.

As at 6 February 2009, we increased our stake in Selekt Mail Nederland C.V., a Dutch company, from 51% to 100%. In June 2009, we sold the French company DHL Global Mail Services sas.

Due to the deconsolidation of Postbank, which is now accounted for using the equity method, we no longer prepare additional consolidated financial statements including the Deutsche Postbank Group on an equity-accounted basis.

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%.

Lower income and expense

The restructuring of our US express business resulted in non-recurring expenses of \in 248 million in the first half of 2009. Expenses of \in 47 million were already incurred for this in the prior-year period. Additional restructuring costs for the other business areas amounted to \in 185 million in the reporting period.

Other operating income increased by €39 million to €1,076 million compared with the first half of 2008, due amongst other things to provisions being reversed to income.

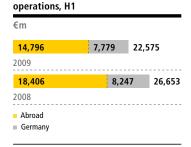
Materials expense declined due to lower sales volumes combined with the drop in the oil price: At ϵ 12,471 million, it was down ϵ 2,759 million or 18.1% on the prioryear figure.

Staff costs were €296 million lower, at €8,539 million, mainly due to our exit from the domestic us express business. We made noticeable reductions in staff costs outside the usa as well.

The restructuring of the express business is also the main reason behind the 2.6% rise in depreciation, amortisation and impairment losses to €741 million.

Other operating expenses fell by \in 234 million to \in 1,764 million. Consulting costs and travel expenses were substantially lower.

Consolidated revenue for continuing







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 mentioned earlier, 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 ϵ 313 million into net financial income of ϵ 610 million.

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

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

Profit from discontinued operations includes deconsolidation gain

Profit from discontinued operations rose by ϵ 192 million year-on-year to ϵ 432 million. This figure includes the net loss generated by Postbank in the first two months of 2009 and the deconsolidation gain of ϵ 444 million. Details are presented in the Notes.

Consolidated net profit for the period up sharply

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

Financial position and assets and liabilities

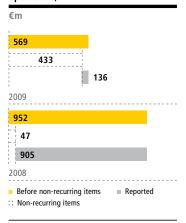
Exceptionally strong liquidity position

The principles and aims of financial management presented in the 2008 Annual Report starting on page 43 are still valid and are being pursued unchanged.

In the first half of 2009, the euro remained the main currency in which the Group's debt is denominated. Its share of our financial debt rose, especially because of the mandatory exchangeable bond issued as part of the sale of Postbank and the collateralisation of the put option. The other basic financial data outlined in the Annual Report are still valid.

Our credit rating was reviewed in the second quarter of 2009 by international rating agencies Standard & Poor's and Moody's Investors Service. Standard & Poor's confirmed our BBB+ rating, whereas Moody's Investors Service downgraded its rating to Baa1. Nevertheless, both agencies continue to rate our creditworthiness highly. As a result, the crisis on the financial markets is not affecting either our refinancing options or our liquidity position, especially since our liquidity is exceptionally strong – in part because of the sale of Postbank.

Consolidated EBIT for continuing operations. H1

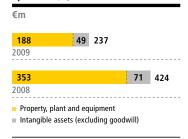






As a result, only an average of around 7.4% (previous year: 18.1%) of our unsecured committed credit lines were used. The total volume of these is currently ϵ 2.6 billion, ϵ 200 million of which had been used as at 30 June. We did not have recourse to our commercial paper programme, which we launched at the beginning of 2008, in the first half of 2009.

Capital expenditure of continuing operations, Q2



Further clear drop in capital expenditure

The Group's aggregate capital expenditure (capex) amounted to €478 million in the period to 30 June 2009 (previous year: €768 million). Of this figure, €382 million was attributable to property, plant and equipment and €96 million to intangible assets excluding goodwill. We continued to make clear reductions in capital expenditure in the second quarter, generating a total drop of 44% compared with the prior-year period. In the first half of the year capex fell by 38%. Once again, the express and supply chain divisions were the main contributors to this trend. Investments in property, plant and equipment related mainly to advance payments and assets under development (€109 million), IT equipment (€75 million), technical equipment and machinery (€67 million), other operating and office equipment (€41 million), transport equipment (€34 million) and leasehold improvements (€26 million).

Our regional investments focused mainly on Europe, the Americas and Asia. In Europe, our investment activities were centred on Germany, Belgium and the United Kingdom. In Asia, we concentrated on Malaysia, India and China.

Capex and depreciation, H1

cupes und depreciation,																
€m	MAIL EXPRESS		FORW	GLOBAL FORWARDING, FREIGHT SUPPLY CHAIN			Corporate Center/ Other		Consolidation		Continuing operations		Discontinued operations			
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Capex	82	117	356	164	45	32	191	99	94	66	0	0	768	478	43	7
Depreciation on assets	173	170	221	219	47	54	163	165	118	133	0	0	722	741	70	0
Capex to depreciation ratio	0.47	0.69	1.61	0.75	0.96	0.59	1.17	0.60	0.80	0.50	_	_	1.06	0.65	0.61	_

Capex and depreciation, Q2

€m						GLOBAL ARDING,			Corporate	· Center/			Co	ntinuing	Disc	ontinued
		MAIL	1	EXPRESS	1	FREIGHT	SUPPLY	CHAIN	•	Other	Cons	olidation	op	erations	op	erations
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Capex	56	70	206	90	28	14	73	39	61	24	0	0	424	237	26	0
Depreciation on assets	85	86	117	108	24	27	82	85	55	67	0	0	363	373	36	0
Capex to depreciation ratio	0.66	0.81	1.76	0.83	1.17	0.52	0.89	0.46	1.11	0.36			1.17	0.64	0.72	

Investments in the MAIL Division increased from €82 million to €117 million. This was due, amongst other things, to projects planned for 2008 being deferred to the current financial year. The second quarter of 2009 mainly saw the continuation of projects that had been started in the previous year and the first quarter: We acquired mail sorting machines, upgraded IT, replaced transport equipment, installed 200 additional Packstations and reorganised the retail outlet network.

In the Express Division, capex declined by more than half in the first six months of 2009 to €164 million (previous year: €356 million), continuing the trend of the first quarter. We concentrated here on our global aircraft network, technical equipment and machinery for our hubs and leasehold improvements. In regional terms, the focus was on Europe and the Americas, where the restructuring of the US express business remained at the fore of our activities.

Capex in the Global forwarding, freight Division amounted to $\[\epsilon \]$ 32 million in the reporting period, down substantially on the prior-year level ($\[\epsilon \]$ 45 million). $\[\epsilon \]$ 23 million of this figure was attributable to the Global Forwarding Business Unit, where we fitted out buildings and modernised the it infrastructure. We invested $\[\epsilon \]$ 7 million in the Freight Business Unit, mainly for it.

The supply chain Division also continued the trend reported in the first three months of the year, with half-yearly capex dropping from ϵ 191 million to ϵ 99 million. Most of this went into customer projects: In the United Kingdom, we invested in warehouse solutions and related equipment for new and existing customers, as well as in transport equipment. In the Americas and Continental Europe regions, capex focused on technical equipment for customers in the consumer goods and retail sectors.

In the first half of 2009, cross-divisional investments – which consisted mainly of vehicle and IT procurement – fell year-on-year from €94 million to €66 million. The decline was due to the sharp reduction in vehicle procurement and was partly offset by capital expenditure on IT that was required as part of the restructuring measures.

Cash flow statement for continuing operations

Selected cash flow indicators (continuing operations)

€m		
	H1 2008	H1 2009
Cash and cash equivalents as at 30 June	1,120	3,222
Change in cash and cash equivalents	-185	1,613
Net cash from/used in operating activities	623	-229
Net cash used in investing activities	-334	-330
Net cash used in/from financing activities	-474	2,172

Net cash used in operating activities in the first half of 2009 amounted to $\[epsilon]$ 229 million. In the prior-year period, net cash of $\[epsilon]$ 623 million had been generated from operating activities. The main reason for the decrease in net cash was the drop in EBIT of $\[epsilon]$ 769 million and greater utilisation of provisions, which were primarily created for restructuring measures in the domestic US express business. In contrast, the net outflow of working capital fell by $\[epsilon]$ 223 million, predominantly as a result of the reduction in receivables and other assets.

At \in 330 million, net cash used in investing activities was more or less stable compared with the prior-year figure (\in 334 million). Net cash provided by the disposal of non-current assets declined by \in 334 million. The sales of real estate were a key factor improving liquidity in the previous year. At \in 674 million, cash paid to acquire non-current

assets was down significantly on the prior-year figure (ϵ 1,202 million). In addition to the cash paid to acquire property, plant and equipment and intangible assets, net cash used to acquire subsidiaries and other business units recorded a substantial drop.

Taken together, net cash used in operating activities and net cash used in investing activities resulted in a negative free cash flow of ϵ 559 million. In the previous year, the free cash flow was clearly positive, at ϵ 289 million.

Net cash provided by financing activities amounted to $\[Earline{\in}\]$ 2,172 million in the first half of 2009. This increase was largely due to Deutsche Bank's subscription of the mandatory exchangeable bond in connection with the sale of Postbank and to payment of the collateral for the put option for the remaining Postbank shares. The dividend payment to our shareholders was the largest payment in this area ($\[Earline{\in}\]$ 725 million). Net cash used in financing activities in the previous year amounted to $\[Earline{\in}\]$ 474 million.

Compared with 31 December 2008, cash and cash equivalents fell from €4,662 million to €3,222 million due to these changes in the cash flows from the individual activities in the continuing operations and discontinued operations.

Sharp drop in total assets

The deconsolidation of Postbank led to a sharp reduction in the Group's total assets as at 30 June 2009. At €35,173 million, these were down €227,791 million on the figure as at 31 December 2008.

Non-current assets increased by $\[Epsilon]$ 1,799 million to $\[Epsilon]$ 2,316 million, primarily due to the rise in investments in associates from $\[Epsilon]$ 661 million to $\[Epsilon]$ 1,669 million. This item contains the remaining shares in Postbank following the latter's deconsolidation. In addition, the put options received in the course of the sale of Postbank increased the other non-current assets. These rose from $\[Epsilon]$ 514 million at the start of the financial year to $\[Epsilon]$ 1,378 million on the reporting date. Property, plant and equipment declined by $\[Epsilon]$ 6219 million to $\[Epsilon]$ 6,457 million, mainly as a result of depreciation, amortisation and impairment losses. Deferred tax assets also decreased, falling from $\[Epsilon]$ 1,033 million to $\[Epsilon]$ 6677 million as at 30 June.

Current assets fell by €229,590 million, above all due to the deconsolidation of Postbank and the resulting decrease in assets held for sale. Receivables and other assets decreased from €8,715 million to €7,918 million, primarily as a result of the general economic situation. In particular, the closing of the Postbank sale resulted in an increase in current financial instruments of €1,186 million, since part of the cash received was invested on the short-term capital markets. In addition, cash and cash equivalents increased from €1,350 million to €3,222 million, due in particular to the cash received.

Compared with 31 December 2008, equity attributable to Deutsche Post AG share-holders rose by ϵ 682 million to ϵ 8,508 million as at the balance sheet date. The increase was primarily due to the consolidated net profit for the period, whereas the dividend payment for financial year 2008 served to decrease this item.

The sale of Postbank was a key factor in the sharp reduction in non-current and current liabilities. As at 31 December 2008, all of Postbank's liabilities and provisions were reported under liabilities associated with assets held for sale. They were fully disposed of upon deconsolidation, resulting in a net decline of ϵ 227,736 million. Financial liabilities increased from ϵ 4,097 million to ϵ 7,238 million. Current financial liabilities were reduced by ϵ 439 million. In contrast, non-current financial liabilities increased by ϵ 3,580 million, primarily because a mandatory exchangeable bond was subscribed as part of the Postbank sale and the put options were collateralised. The utilisation of provisions for the restructuring of the US express business and lower deferred tax liabilities led to a decline in non-current and current provisions from ϵ 10,836 million to ϵ 9,810 million. The weak economic situation in the first half of the year resulted in a ϵ 537 million decrease in trade payables, whereas the more strongly seasonal business at the end of 2008 had served to increase this figure. Other current and non-current liabilities fell by ϵ 383 million to ϵ 4,729 million, primarily due to a decline in liabilities from foreign currency derivatives.

Key figures for continuing operations

In order to ensure the comparability of data, figures as at 31 December 2008 refer to an analysis with Postbank presented on an equity-accounted basis ("Postbank at equity"). The sale of Postbank significantly reduced our net debt. Although financial liabilities increased following subscription of the mandatory exchangeable bond and payment of the collateral for the put option on the remaining Postbank shares, the cash and financial instruments received in exchange for the Postbank shares increased. However, we have not included the mandatory exchangeable bond when calculating net debt, as it will be paid for in full by Postbank shares. As a result, net debt decreased from ϵ 2,412 million to ϵ 136 million. The equity ratio rose slightly as against 31 December 2008. Due to the decrease in net debt, net gearing also declined, from 23.3% to 1.6% as at 30 June 2009.

Selected indicators for net assets (continuing operations)

		31 Dec. 2008 ¹⁾	30 June 2009
Equity ratio	%	23.8	24.5
Net debt	€m	2,412	136
Net gearing	%	23.3	1.6

1) Postbank at equity.

Divisions

Overview

Revenue and EBIT by operating division

		H1 2008 adjusted	H1 2009	+/- %	Q2 2008 adjusted	Q2 2009	+/-%
MAIL							
Revenue	€m	7,089	6,695	-5.6	3,440	3,209	-6.7
of which Mail Communication	€m	3,000	2,872	-4.3	1,456	1,364	-6.3
Dialogue Marketing	€m	1,376	1,295	-5.9	652	612	-6.1
Press Services	€m	432	414	-4.2	220	203	-7.7
Parcel Germany	€m	1,228	1,211	-1.4	592	588	-0.7
Retail outlets	€m	393	394	0.3	193	196	1.6
Global Mail	€m	1,008	840	-16.7	493	407	-17.4
Pension Service	€m	40	46	15.0	20	26	30.0
Consolidation/Other	€m	-388	-377	2.8	-186	-187	-0.5
Profit from operating activities (EBIT) before non-recurring items	€m	821	578	-29.6	275	171	-37.8
Profit from operating activities (EBIT)	€m	821	557	-32.2	275	150	-45.5
Return on sales ¹⁾	%	11.6	8.3		8.0	4.7	
EXPRESS Revenue	€m	6,880	5,002	-27.3	3,513	2,507	-28.6
of which Europe	€m	3,380	2,780	-17.8	1,711	1,393	-18.6
Americas	€m	1,908	707	-62.9	966	347	-64.1
Asia Pacific	€m	1,305	1,202	-7.9	677	616	-9.0
EEMEA (Eastern Europe,							
Middle East, Africa)	€m	554	522	-5.8	291	261	-10.3
Consolidation/Other	€m	-267	-209	21.7	-132	-110	16.7
Profit/loss from operating activities	£ m	74	FF		66	6E	1 5
(EBIT) before non-recurring items Profit/loss from operating activities (EBIT)	€m	27			66 19	65 51	-1.5
Return on sales ¹⁾	——————————————————————————————————————	0.4	-443 -8.9		0.5	-2.0	
Return on Sales	70		-0.9			-2.0	
GLOBAL FORWARDING, FREIGHT							
Revenue	€m	6,767	5,230	-22.7	3,517	2,570	-26.9
of which Global Forwarding	€m	4,941	3,772	-23.7	2,585	1,855	-28.2
Freight	€m	1,885	1,502	-20.3	960	740	-22.9
Consolidation/Other	€m			25.4		<u>–25</u>	10.7
Profit from operating activities (EBIT) before non-recurring items	€m	181	129	-28.7	103	79	-23.3
Profit from operating activities (EBIT)	€m	181	113	-37.6	103	68	-34.0
Return on sales ¹⁾	%	2.7	2.2		2.9	2.6	
SUPPLY CHAIN							
Revenue	€m	6,702	6,206	-7.4	3,355	3,061	-8.8
Profit from operating activities (EBIT)							
before non-recurring items	€m	98	58	-40.8	64	16	-75.0
Profit from operating activities (EBIT)	€m	98	50	-49.0	64	16	-75.0
Return on sales ¹⁾	<u>%</u>	1.5	0.8		1.9	0.5	
1) FRIT/revenue							

¹⁾ EBIT/revenue.

MAIL

Revenue declines in cyclical business units

In the first half of 2009, revenue decreased by 5.6% to ϵ 6,695 million (previous year: ϵ 7,089 million), in part from 2.4 fewer working days in the period. In areas sensitive to economic developments, revenue remained below the prior-year figures in line with expectations. Exchange rate gains amounted to ϵ 16 million.

Business customers posting fewer letters

Revenue in the Mail Communication Business Unit declined from $\[oldsymbol{\in}\]3,000$ million to $\[oldsymbol{\in}\]2,872$ million. The market is shrinking steadily as a result of increasing use of electronic means of communication. The economic crisis is exacerbating this trend, which is now evident amongst business customers as well. This customer group posted fewer letters in the second quarter in particular. In the regulated mail sector, we kept prices stable although the inflation rate underlying the price cap procedure increased. We retained and regained quality-conscious customers; however, some of our customers turned to competitors as a consequence of a higher sensitivity to prices in the wake of the current economic crisis.

Mail Communication: volumes

mail items (millions)						
	H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
Business customer letters	3,456	3,328	-3.7	1,662	1,544	-7.1
Private customer letters	626	606	-3.2	298	290	-2.7
Total	4,082	3,934	-3.6	1,960	1,834	-6.4

Customers advertise more moderately

In a tough economy, customers change their advertising behaviour – a tendency that is becoming apparent in the Dialogue Marketing Business Unit. Mail-order companies, in particular, are investing less in advertising. As a result, volumes declined for both addressed and unaddressed advertising mail. Half-yearly revenue fell from €1,376 million in the first half of 2008 to €1,295 million in the first half of 2009, a decrease of 5.9%.

Dialogue Marketing: volumes

mail items (millions)						
	H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
Addressed advertising mail	3,278	3,034	-7.4	1,586	1,469	-7.4
Unaddressed advertising mail	2,471	2,239	-9.4	1,189	1,038	-12.7
Total	5,749	5,273	-8.3	2,775	2,507	-9.7

Newspapers and magazines have fewer pages and less weight

Revenue in the Press Services Business Unit amounted to ϵ 414 million, 4.2% below the prior-year figure of ϵ 432 million. Both the number of pages and the weight of newspapers and magazines have decreased due to diminishing advertising content. The average prices for distributing these items have therefore dropped.

Customers sending more parcels

Revenue in the Parcel Germany Business Unit decreased slightly by 1.4% year-on-year, from €1,228 million to €1,211 million. Thanks to the growth of online sales, we increased revenue in the domestic parcel market although the crisis amongst traditional mail-order companies in some cases clearly reduced volumes. Private customer business sales saw encouraging growth in the second quarter. In international business, we transferred Europlus – a parcel product – to the Express Division, causing revenue to fall below the prior-year level.

Parcel Germany: volumes

H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
314	310		151	151	0.0
51	52	2.0	24	25	4.2
365	362	-0.8	175	176	0.6
	314 51	314 310 51 52	314 310 -1.3 51 52 2.0	314 310 -1.3 151 51 52 2.0 24	314 310 -1.3 151 151 51 52 2.0 24 25

Retail outlet revenue at prior-year level

With around 14,000 outlets, we have the largest network of fixed-location retail outlets in Germany. We are continually expanding our network to make access to our services as simple as possible for customers. Revenue generated by the outlets reached €394 million and was therefore on par with the previous year's figure of €393 million.

International mail business also sees rise in price sensitivity

In the Global Mail Business Unit, revenue decreased from $\epsilon_{1,008}$ million to ϵ_{840} million in the reporting period. Despite exchange rate gains of ϵ_{15} million, revenue suffered especially from the discontinuation of DHL@home – a product for mailorder companies in the Us. We no longer offer this product after having reduced our express transport network. Our international mail business saw the same trend as in the German market. Customers became more price sensitive and our traditional import and export business suffered as a result.

Mail International: volumes

mail items (millions)						
	H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
Global Mail	3,621	3,373	-6.8	1,848	1,758	-4.9

Year-on-year earnings down

Profit from operating activities (EBIT) decreased significantly year-on-year, falling from €821 million to €557 million in the first half of 2009 and from €275 million to €150 million in the second quarter. The prior-year figures were adjusted because we no longer report the return on plan assets in connection with pension obligations as part of EBIT. It is now reported under the Group's net finance costs/net financial income. In addition, there was a change in the deferral of staff costs. Adjusted for restructuring costs of €21 million, EBIT before non-recurring items declined by 29.6% to €578 million in the first half of the year and by 37.8% to €171 million in the second quarter. Revenue declines arising from the economic crisis and the results of removing Postbank from the VAT group impacted earnings. In addition, earnings were reduced by a charge of €15 million as a result of the insolvency application filed by Arcandor AG. We partially offset increases in wages and costs through reductions in staff costs and non-staff operating expenses. Operating cash flow amounted to €142 million (previous year: €603 million); the return on sales was 8.3%.

EXPRESS

Express volumes remain soft

In the first half of 2009, revenue in the EXPRESS Division declined by 27.3% to €5,002 million (previous year: €6,880 million). Negative currency effects of €35 million impacted this result. Measured in local currencies and adjusted for acquisitions, revenue fell by 27.8%. This was due in large part to lower volumes, lower fuel surcharge revenues and the exit from the domestic express business in the Us. Outside the United States, revenue in local currencies was down by 13.7%.

Impacted by the global economic crisis, daily shipment volumes in the Time Definite International product line decreased year-on-year by 12.7%. Outside the Us, daily shipment volumes in the Time Definite Domestic and Day Definite Domestic product lines declined by 4.0% and 2.5%, respectively.

EXPRESS: revenue by product

H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
27.0	22.0	-18.5	28.0	22.3	-20.4
9.6	4.1	-57.3	9.6	4.1	-57.3
9.9	7.0	-29.3	10.0	7.0	-30.0
24.0	20.1	-16.3	24.7	20.4	-17.4
4.0	4.2	5.0	4.1	4.2	2.4
7.7	7.0	-9.1	7.8	7.0	-10.3
	27.0 9.6 9.9 24.0 4.0	27.0 22.0 9.6 4.1 9.9 7.0 24.0 20.1 4.0 4.2	27.0 22.0 -18.5 9.6 4.1 -57.3 9.9 7.0 -29.3 24.0 20.1 -16.3 4.0 4.2 5.0	27.0 22.0 -18.5 28.0 9.6 4.1 -57.3 9.6 9.9 7.0 -29.3 10.0 24.0 20.1 -16.3 24.7 4.0 4.2 5.0 4.1	27.0 22.0 -18.5 28.0 22.3 9.6 4.1 -57.3 9.6 4.1 9.9 7.0 -29.3 10.0 7.0 24.0 20.1 -16.3 24.7 20.4 4.0 4.2 5.0 4.1 4.2

EXPRESS: volumes by product

thousands of items per day						
	H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
Total						
Time Definite International	526	459	-12.7	534	469	-12.2
Time Definite Domestic	1,329	564	-57.6	1,302	568	-56.4
Day Definite Domestic	1,377	814	-40.9	1,360	815	-40.1
Excluding the USA						
Time Definite International	471	422	-10.4	478	431	-9.8
Time Definite Domestic	577	554	-4.0	571	566	-0.9
Day Definite Domestic	830	809	-2.5	828	815	-1.6

Lower volumes weaken revenue in Europe

Revenue dropped by 17.8% in the Europe region to €2,780 million (previous year: €3,380 million). This included negative currency effects of €130 million, attributable primarily to our UK/Ireland, Scandinavia and Central Europe business. Adjusted for these currency effects and acquisitions in Spain and Romania, organic revenue in the region declined by 14.3%. This was driven by a drop in shipment volumes in the Time Definite International and Day Definite Domestic product lines mainly in Benelux, Scandinavia, Italy, Iberia, France and the UK/Ireland.

Cost basis in the Americas region drastically reduced

Performance in the Americas region was affected in the reporting period by the poor market conditions and our exit from the domestic market in the United States. Since February, we no longer offer a domestic express product in the us domestic market and have massively reduced our cost basis. Restructuring in the us continued on schedule and amounted to €248 million in the reporting period. Revenue in the Americas region – which includes the us and the International Americas sub-region (Latin America, Canada and the Caribbean) – slipped by 62.9% to €707 million (previous year: €1,908 million). This figure included exchange rate gains of €34 million. Measured in local currencies, revenue fell by 64.7%. In the International Americas sub-region, organic revenue was 13.1% below last year's level. The daily shipment volumes in the us Time Definite International product line dropped by 33.3% on account of the recession and restructuring – a smaller reduction than anticipated.

Growth hampered in the Asia Pacific region

Including the euro exchange rate gains of €58 million, revenue in the region decreased by 7.9% to €1,202 million (previous year: €1,305 million). Organic revenue declined by 14.3%, mainly attributable to lower fuel surcharge revenues and the lower volumes resulting from the economic downturn. Daily shipment volumes in the Time Definite International and Time Definite Domestic product lines shrank year-on-year by 9.0% and 5.9%, respectively.

Revenue declining in the emerging markets

In the EEMEA region (Eastern Europe, Middle East and Africa), revenue, which included exchange rate gains of \$\insigms\$ million, decreased by 5.8% in the first half of 2009. When measured in local currencies, revenue slipped by 6.7%. Whilst Time Definite International daily shipment volumes faded following the overall ailing economy, Time Definite Domestic volumes improved because of growth in activities in the Middle East and new businesses in Africa.

Earnings and operating cash flow decrease

Division EBIT amounted to €–443 million in the first half of the year and €–51 million in the second quarter. Adjusted for restructuring costs (€388 million, second quarter: €116 million), EBIT was €–55 million in the first half of the year and €65 million in the second quarter. The restructuring of our express business continued to make progress, especially in the Us. Outside the Us, EBIT before non-recurring items decreased from €520 million to €239 million. This was largely due to an overall weakening in our high-earning international express product. We counteracted this trend in part through stringent cost reductions which were fully visible in the EBIT performance. The prior-year figure was adjusted because we no longer report the return on plan assets in connection with pension obligations as part of EBIT. It is now reported under the Group's net finance costs/net financial income. Operating cash flow, which includes net cash used for restructuring and the losses in the Us, fell year-on-year from €79 million to €–562 million.

GLOBAL FORWARDING, FREIGHT

Freight forwarding business still impacted by global recession

Our freight forwarding business in the first half of 2009 echoed the sharp downward trend in global trade that began in the last quarter of 2008. Revenue shrank by 22.7% to ϵ 5,230 million (previous year: ϵ 6,767 million). This figure includes exchange rate gains of ϵ 19 million. Lower shipment volumes and freight rates caused organic revenue to fall by 23.0%.

Revenue in the Global Forwarding Business Unit declined year-on-year by 23.7%, from ϵ 4,941 million to ϵ 3,772 million. The decrease was 24.7% after adjustment for exchange rate effects. By enhancing transport purchases with our service providers, we were able to limit the drop in gross profit, which fell 7.4% year-on-year from ϵ 1,065 million to ϵ 986 million. Profit from operating activities (EBIT) declined compared with the previous year in line with the underlying economic situation.

Volume decline in air and ocean freight slows in the second quarter

Despite the fact that transport volumes fell drastically in the first half of 2009, the trend eased somewhat in the second quarter compared with the first three months of the year.

Air freight volumes (exports) were 24.2% below prior-year volumes, mainly due to the sharp decline in the technology, manufacturing and mechanical engineering sectors. We were able to partially offset the above-average drop in existing business in these sectors with new business wins. According to our estimates, our business has contracted roughly in line with the overall market. Volumes increased 10% in the second quarter compared with the first quarter of 2009. Our revenue fell year-on-year by 30.7% in the first half of the year due to lower fuel surcharges and freight rates on numerous trade lanes – a result of overcapacities in the market. Our business in the Middle East and Africa remained robust, however.

Global Forwarding: revenue

Total	4,941	3,772	-23.7	2,585	1,855	-28.2
Other	787	762	-3.2	408	402	-1.5
Ocean freight	1,594	1,235	-22.5	836	579	-30.7
Air freight	2,560	1,775	-30.7	1,341	874	-34.8
	H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
€m						

Global Forwarding: volumes

thousands							
		H1 2008	H1 2009	+/-%	Q2 2008	Q2 2009	+/-%
Air freight	tonnage	2,192	1,623	-26.0	1,124	850	-24.4
of which exports	tonnage	1,244	943	-24.2	637	495	-22.3
Ocean freight	TEU ¹⁾	1,333	1,220	-8.5	694	645	-7.1

¹⁾ Twenty-foot equivalent units.

In the ocean freight market, volumes continued to decline, falling 15% compared with the first half of 2008. All in all, we outperformed the market in the reporting period, recording a drop in volume of 8.5%. Lower shipment volumes and rates caused our revenue to shrink by 22.5%. In spite of this, our business trends in the Middle East, Africa, the South Asia/Pacific region and Latin America were encouraging.

The industrial project business continued to perform well in the first half of 2009, surpassing the prior-year period.

European overland transport business sees revenue decline

The Freight Business Unit reported a decline in revenue of 20.3% to €1,502 million in the period under review (previous year: €1,885 million). Organic revenue shrank by 18.5%. Gross profit fell year-on-year from €488 million to €419 million. Countries which depend heavily on the technology and automotive sectors registered especially sharp declines.

Operating cash flow remains encouraging

Division ebit was €113 million (previous year: €181 million) in the first half of the year. In the second quarter it amounted to €68 million (previous year: €103 million). Adjusted for half-yearly restructuring costs of €16 million (second quarter: €11 million), ebit before non-recurring items was €129 million in the first half of the year (previous year: €181 million) and €79 million in the second quarter (previous year: €103 million). The prior-year figures were adjusted because we no longer report the return on plan assets in connection with pension obligations as part of ebit. It is now reported under the Group's net finance costs/net financial income. We continued to systematically reduce operating and overhead costs through our restructuring and cost savings initiatives – efforts to ensure that gross profit translates into ebit gains in the short term. We also reinforced our sales organisation, a move that generated lucrative new business.

We continued to boost operating cash flow and saw very positive results: an increase to ϵ 406 million in the reporting period after ϵ 295 in the previous year. This improvement was largely attributable to the Global Forwarding Business Unit. We reduced working capital considerably, which helped to compensate for the decline in earnings; hence, the cash conversion rate was extremely good.

SUPPLY CHAIN

Economy slows customer business in some sectors

Revenue in the Supply Chain Division amounted to €6,206 million in the first half of 2009 (previous year: €6,702 million), representing a 7.4% decline. Adjusted for adverse currency effects of €179 million, organic revenue fell by 4.8%. This was due to the economic slowdown impacting customer activity levels, particularly in the Automotive, Technology and Fashion sectors. Exposure in these sectors is variable by region with the Americas and Continental Europe being the most affected. Organic revenue fell in these regions by 11.7% and 12.3%, respectively. The UK business showed improvement driven by increased Health sector volumes. Williams Lea increased organic revenue by 2.3% with solid new business wins.

Contract renewal rate exceeds 90%

The Supply Chain Business Unit gained new contracts worth around €550 million in annualised revenue with new and existing customers in the first half of 2009, much in line with the prior year. The contract renewal rate continues to exceed 90%.

EBIT before non-recurring items declined

Profit from operating activities (EBIT) of €50 million for the first half of 2009 represented a 49.0% reduction on the previous year. EBIT in the second quarter was €16 million (previous year: €64 million). The prior-year figures were adjusted because we no longer report the return on plan assets in connection with pension obligations as part of EBIT. It is now reported under the Group's net finance costs/net financial income. The return on sales was 0.8% (previous year: 1.5%). Adjusted for restructuring costs of €8 million, EBIT before non-recurring items declined by 40.8% to €58 million in the first half of the year, which reflects a 0.9% return on sales.

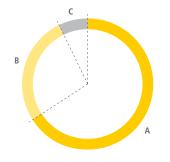
Profit was impacted by a $\[\in \] 25$ million charge following the insolvency application of Arcandor Ag. Falling volumes and margin pressures were partially offset by operational productivity gains and overhead savings. The major restructuring of the Us automotive industry also impacted results in the quarter, however, the business remains well positioned to assist in the recovery plans of the restructured customer base.

Operating cash flow was ϵ 62 million (previous year: ϵ -47 million). Building on the prior-year trend, we reduced working capital further in the reporting period and cash flow improved as a result of refining our management of debtor and creditor metrics.

SUPPLY CHAIN, H1 2009: revenue by region

Total revenue: €6,206 million

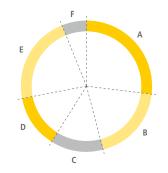
- A 66% Europe/Middle East/Africa
- B 27% Americas
- C 7% Asia Pacific



SUPPLY CHAIN, H1 2009: revenue by sector

Total revenue: €6,206 million

- A 27% Retail and fashion
- 19% Consumer goods
- C 13% Technology
- D 13% Healthcare
- E 22% Chemicals/Williams Lea sectors/ other
- 6% Automotive



Non-financial Performance Indicators

Decrease in number of employees

The average number of employees (full-time equivalents) decreased in the first six months of 2009 by 3.5% compared with the previous year's average to 440,784. The restructuring of the US express business was the main reason for this.

No research and development in the narrower sense

As a service provider, Deutsche Post DHL does not undertake any research and development activities in the narrower sense and thus does not report significant expenses in this area.

Risks

Opportunity and risk management more significant in the difficult environment

The World Trade Organisation has forecast that trading volumes in 2009 will shrink year-on-year by 10%. In this demanding environment, proactive risk management is becoming ever more important. An integral part of Deutsche Post DHL's controlling processes is a system we use to identify and measure opportunities and risks at an early stage. Our management team monitors this information closely and incorporates it into their decision-making process. Information on the fundamentals of our risk management system and the significant risks affecting our earnings, financial position, and assets and liabilities are found in the 2008 Annual Report beginning on page 85.

Logistics business faces challenging market conditions

The logistics market has deteriorated overall as a result of the economic crisis. The poor performance of some companies has impacted demand for our services and, in turn, our revenue. We are meeting these economic challenges with stringent savings initiatives and increased efficiency. We aim to deliver acceptable economic results amidst the current climate and optimise our processes with an eye towards customer satisfaction.

Arcandor AG and several of its subsidiaries filed to open insolvency proceedings in June 2009. Arcandor owns the Karstadt chain of department stores and the mail-order company Quelle and is one of our key customers. Depending on how the insolvency proceedings and Arcandor's economic situation progress, there is potential for our MAIL and SUPPLY CHAIN divisions to experience losses in revenue and earnings as well as impairment losses. Up to 4,000 Group employees may be affected if restructuring measures become necessary. This impacted earnings by €40 million in the second quarter of this year.



Overall assessment of the Group's risk position

In addition to the risks outlined above, in the first half of 2009, no further significant risks arose apart from those described in the 2008 Annual Report and the first interim report of this year. Despite the extraordinary challenges of this economic crisis, there are currently no identifiable risks which cast a doubt on the company's ability to continue as a going concern.

Further Developments and Outlook

No further significant events

There were no reportable events after the balance sheet date.

Future economic trend unclear

The International Monetary Fund (IMF) is forecasting a decline in global economic output of 1.4% in 2009 and a drop in world trade of 12.2%. These extremely negative estimates are primarily based on the severe collapse in trade and production in the winter of 2008/2009. On a more positive note, the prospects of a moderate recovery in the global economy over the course of the year have recently improved. Interest rate reductions by central banks and national stimulus packages are key reasons for this outlook.

Current forecasts indicate that the US economy will recover slightly over the course of the year. Nevertheless, the IMF estimates a 2.6% decline in GDP for 2009.

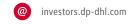
Japan is one of the countries most affected by the global recession. GDP is likely to drop in 2009 by 6.0% according to the IMF. By contrast, the Chinese economy is proving to be markedly robust. Economic momentum is likely to remain high (IMF: 7.5%) – thanks in part to their massive economic stimulus plan.

Economic output in the euro zone will shrink considerably in 2009 (IMF: -4.8%), although forecasts are divided on the expected trend in the second half of the year. Estimates range from further declines in economic output to a moderate economic recovery.

In Germany, GDP is likely to fall more sharply than the euro zone (IMF: -6.2%) because Germany's export-orientated industry has been hit especially hard by the breakdown in world trade. Private consumption, on the other hand, is expected to grow. In line with forecasts on the euro zone as a whole, analysts are also deeply divided as to whether the German economy will recover in the second half of the year.

Lower capital expenditure planned

For the remainder of 2009 we intend to continue the investment projects already begun as well as those specified in the 2008 Annual Report (see Outlook). As outlined there, we plan substantially lower capital expenditure in 2009.



Outlook for the 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.

Opportunities

We describe the Group's economic opportunities in the 2008 Annual Report starting on page 98.

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This interim report contains forward-looking statements that relate to the business, financial performance and results of operations of Deutsche Post AG. Forward-looking statements are not historical facts and may be identified by words such as "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets" and similar expressions. As these statements are based on current plans, estimates and projections, they are subject to risks and uncertainties that could cause actual results to be materially different from the future development, performance or results expressly or implicitly assumed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as at the date of this presentation. Deutsche Post AG does not intend or assume any obligation to update these forward-looking statements to reflect events or circumstances after the date of this interim report.

Any internet sites referred to in the Interim Report by the Board of Management do not form part of the report.

Income Statement

1 January to 30 June

		H1 2008 adjusted ¹⁾	H1 2009	Q2 2008 adjusted ¹⁾	Q2 2009
Continuing operations					
Revenue	€m	26,653	22,575	13,444	11,070
Other operating income	€m	1,037	1,076	556	683
Total operating income	€m	27,690	23,651	14,000	11,753
Materials expense	€m	-15,230	-12,471	-7,794	-6,083
Staff costs	€m	-8,835	-8,539	-4,443	-4,293
Depreciation, amortisation and impairment losses	€m	-722	-741	-363	-373
Other operating expenses	€m	-1,998	-1,764	-1,034	-895
Total operating expenses	€m	-26,785	-23,515	-13,634	-11,644
Profit from operating activities (EBIT)	€m	905	136	366	109
Net income from associates	€m	2	46	0	26
Other financial income	€m	46	1,687	24	582
Other finance costs	€m	-349	-1,131	-182	-619
Foreign currency result	€m	-12	8	-8	3
Net other finance costs/net other financial income	€m	-315	564	-166	-34
Net finance costs/net financial income	€m	-313	610	-166	-8
Profit before income taxes	€m	592	746	200	101
Income tax expense	€m	-71	-150	-18	-21
Profit from continuing operations	€m	521	596	182	80
Discontinued operations					
Profit from discontinued operations	€m	240	432	122	0
Consolidated net profit for the period	€m	761	1,028	304	80
attributable to					
Deutsche Post AG shareholders	€m	614	1,010	231	66
Minorities	€m	147	18	73	14
Basic earnings per share	€	0.51	0.84	0.19	0.06
of which from continuing operations	€	0.41	0.48	0.14	0.06
of which from discontinued operations	€	0.10	0.36	0.05	0.00
Diluted earnings per share	€	0.51	0.84	0.19	0.06
of which from continuing operations	€	0.41	0.48	0.14	0.06
of which from discontinued operations	€	0.10	0.36	0.05	0.00

Statement of Comprehensive Income

1 January to 30 June

Consolidated net profit for the period	761	1,028		
			304	80
Currency translation reserve				
Changes from unrealised gains and losses	-305	324	39	30
Changes from realised gains and losses	0	-31	0	0
Other changes in retained earnings				
Changes from unrealised gains and losses		0	7	0
Changes from realised gains and losses	0	0	0	0
Hedging reserve				
Changes from unrealised gains and losses		-19	10	-34
Changes from realised gains and losses	0	0	0	0
Revaluation reserve in accordance with IAS 39				
Changes from unrealised gains and losses	-1,393	922	-553	260
Changes from realised gains and losses	-3	-829	12	-540
Revaluation reserve in accordance with IFRS 3				
Changes from unrealised gains and losses	8	0	8	-1
Changes from realised gains and losses	0	0	0	0
Income tax relating to components of other comprehensive income	346		129	17
Share of other comprehensive income of associates (after tax)	0	-3	0	10
	4.252	250	240	250
Other comprehensive income (after tax)		360	-348	-258
Total comprehensive income		1,388		-178
attributable to				
Deutsche Post AG shareholders		1,407	88	-186
Minorities 1) Note 4		-19		8

1) Note 4.

Balance Sheet

As at 30 June 2009

€m		
	31 Dec. 2008	30 June 2009
ASSETS		
Intangible assets	11,627	11,727
Property, plant and equipment	6,676	6,457
Investment property	32	32
Investments in associates	61	1,669
Other non-current financial assets	574	376
Non-current financial assets	635	2,045
Other non-current assets	514	1,378
Deferred tax assets	1,033	677
Non-current assets	20,517	22,316
Inventories	269	246
Income tax assets	191	178
Receivables and other assets	8,715	7,918
Financial instruments	50	1,236
Cash and cash equivalents	1,350	3,222
Assets held for sale	231,872	57
Current assets	242,447	12,857
Total assets	262,964	35,173
EQUITY AND LIABILITIES		
Issued capital	1,209	1,209
Other reserves	439	836
Retained earnings	6,178	6,463
Equity attributable to Deutsche Post AG shareholders	7,826	8,508
Minority interest	2,026	122
Equity	9,852	8,630
Provisions for pensions and other employee benefits	4,685	4,665
Deferred tax liabilities	833	461
Other non-current provisions	2,511	2,287
Non-current provisions	8,029	7,413
Non-current financial liabilities	3,318	6,898
Other non-current liabilities	367	355
Non-current liabilities	3,685	7,253
Non-current provisions and liabilities	11,714	14,666
Current provisions	2,807	2,397
Current financial liabilities	779	340
Trade payables	4,980	4,443
Income tax liabilities	351	323
Other current liabilities	4,745	4,374
Liabilities associated with assets held for sale	227,736	0
Current liabilities	238,591	9,480
Current provisions and liabilities	241,398	11,877
Total equity and liabilities	262,964	35,173

Cash Flow Statement

1 January to 30 June

€m	H1 2008 adjusted ¹⁾	H1 2009	Q2 2008 adjusted ¹⁾	Q2 2009
Net profit before taxes	592	746	200	101
Net other finance costs/net other financial income	315	-564	166	34
Net income from associates	-2	-46	0	-26
Profit from operating activities (EBIT)	905	136	366	109
Depreciation/amortisation of non-current assets	722	741	363	373
Net income from disposal of non-current assets	-41	41	-15	50
Non-cash income and expense	70	77	56	57
Change in provisions	-365	-801	-259	-458
Change in other assets and liabilities	-29	-12	-27	-5
Income taxes paid	-184	-179	-132	-96
Net cash from operating activities before changes in working capital	1,078	3	352	30
Changes in working capital				
Inventories	-41	34	-31	10
Receivables and other assets	-462	613	-103	354
Liabilities and other items	48	-879	264	-348
Net cash from/used in operating activities due to continuing operations	623	-229	482	46
Net cash used in operating activities due to discontinued operations	-2,652	-1,828	-1,042	0
Total net cash used in/from operating activities	-2,029	-2,057	-560	46
Proceeds from disposal of non-current assets				
Subsidiaries and other business units	0	-6	0	-6
Property, plant and equipment and intangible assets	573	100	306	37
Other non-current financial assets	159	304	118	270
	732	398	424	301
Cash paid to acquire non-current assets				
Subsidiaries and other business units	-395	-28	-302	-11
Property, plant and equipment and intangible assets	-732	-503	-387	-272
Other non-current financial assets		-143	-64	-129
	-1,202	-674	-753	-412
Interest received		65	13	36
Postbank dividend	103	0	103	0
Current financial instruments	5	-119	16	868
Net cash used in/from investing activities due to continuing operations	-334	-330	-197	793
Net cash from/used in investing activities due to discontinued operations	522	-1,253	-20	0
Total net cash from/used in investing activities	188	-1,583	-217	793
Proceeds from issuance of non-current financial liabilities	78	3,983	64	23
Repayments of non-current financial liabilities	-270	-351	-133	-306
Change in current financial liabilities	995	-492	851	43
Other financing activities	68	-50	27	-70
Dividend paid to Deutsche Post AG shareholders	-1,087	-725	-1,087	-725
Dividend paid to other shareholders	-33	-8	-28	-8
Issuance of shares under stock option plan	18	0	8	0
Interest paid	-243	-185	-107	-75
Net cash used in/from financing activities due to continuing operations	–474	2,172	-405	-1,118
Net cash used in/from financing activities due to discontinued operations	-203	7	-331	0
Total net cash used in/from financing activities	-677	2,179	-736	-1,118
Net change in cash and cash equivalents	-2,518	-1,461	-1,513	-279
Effect of changes in exchange rates on cash and cash equivalents	-36	21	1	-10
Changes in cash and cash equivalents due to changes in consolidated group	2	0	2	0
Cash and cash equivalents at beginning of reporting period	4,683	4,662	3,641	3,511
Total cash and cash equivalents at end of reporting period	2,131	3,222	2,131	3,222
Less cash and cash equivalents at cital of reporting period Less cash and cash equivalents of discontinued operations at end of reporting period	1,016	0	1,016	0
Plus cash and cash equivalents of continuing operations at discontinued operations at end of reporting pe	· · · · · · · · · · · · · · · · · · ·	0	5	0
Cash and cash equivalents of continuing operations at a discontinued operations at end of reporting period	1,120	3,222	1,120	3,222
1) Note 4.	1,120	3,222	.,120	3,222

Statement of Changes in Equity

1 January to 30 June

€m			Other re	eserves			Equity		
	Issued capital	Capital reserves	IAS 39 reserves	Revaluation reserve	Currency translation reserve	Retained earnings	attributable to Deutsche Post AG shareholders	Minority interest	Total equity
Balance at 1 January 2008	1,207	2,119	-347	0	-897	8,953	11,035	2,778	13,813
Capital transactions with owner									
Dividend						-1,087	-1,087	-152	-1,239
Changes in minority interest due to changes in consolidated group							0	-12	-12
Stock option plans (exercise)	2	16					18		18
Stock option plans (issuance)		4					4		4
							-1,065	-164	-1,229
Total comprehensive income									
Consolidated net profit 1)						614	614	147	761
Currency translation differences					-282		-282	-23	-305
Other changes			-534	8			-526	-522	-1,048
							-194	-398	-592
Balance at 30 June 2008		2,139	-881	8	-1,179	8,480	9,776	2,216	11,992
Balance at 1 January 2009	1,209	2,142	-314	8	-1,397	6,178	7,826	2,026	9,852
Capital transactions with owner									
Dividend						-725	-725	-8	-733
Changes in minority interest due									
to changes in consolidated group	— —							-1,877	-1,877
Stock option plans (exercise)							0		0
Stock option plans (issuance)							0		0
							-725	-1,885	-2,610
Total comprehensive income									
Consolidated net profit						1,010	1,010	18	1,028
Currency translation differences					278		278	8	286
Other changes			119				119	-45	74
							1,407	-19	1,388
Balance at 30 June 2009	1,209	2,142	-195	8	-1,119	6,463	8,508	122	8,630
1) Note /									

¹⁾ Note 4.

Segment Reporting

Segments by division

€m					EODW	GLOBAL ARDING,			Corporate	Contor!			_	ontinuing	Diag	ontinued
		MAIL ¹)	EXPRESS ¹⁾		ARDING, FREIGHT ¹⁾	SUPPL	Y CHAIN¹		Other ¹⁾	Cons	olidation ¹		perations		perations
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
1 January to 30 June																
External revenue	6,978	6,607	6,620	4,850	6,386	4,935	6,624	6,145	45	38	0	0	26,653	22,575	5,728	1,634
Internal revenue	111	88	260	152	381	295	78	61	770	763	-1,600	-1,359	0	0	0	0
Total revenue	7,089	6,695	6,880	5,002	6,767	5,230	6,702	6,206	815	801	-1,600	-1,359	26,653	22,575	5,728	1,634
Profit/loss from operating activities (EBIT)	821	557	27	-443	181	113	98	50	-222	-141	0	0	905	136	373	-24
Net income from associates	0	0	2	0	0	0	0	0	0	46	0	0	2	46	0	0
Segment assets 2)	3,683	3,863	8,878	8,575	6,887	6,472	6,460	6,265	1,345	1,316	-401	-320	26,852	26,171	227,364	0
Investments in associates 2)	22	22	32	34	6	6	0	0	1	1,606	0	0	61	1,668	0	0
Segment liabilities 2),3)	2,412	2,280	3,149	2,788	2,305	2,113	2,900	2,551	1,294	1,231	-421	-366	11,639	10,597	218,730	0
Capex	82	117	356	164	45	32	191	99	94	66	0	0	768	478	43	7
Depreciation, amortisation and write-downs	173	170	221	219	47	54	163	165	118	133	0	0	722	741	70	0
Other non-cash expenses	74	130	93	383	25	39	53	99	61	42	0	0	306	693	247	114
Employees 4)	146,184	145,723	112,420	100,912	41,602	40,896	141,060	138,136	15,450	15,117	0	0	456,716	440,784	22,175	0
Q2																
External revenue	3,386	3,164	3,390	2,428	3,330	2,433	3,316	3,028	22	17	0	0	13,444	11,070	2,979	0
Internal revenue	54	45	123	79	187	137	39	33	402	387	-805	-681	0	0	0	0
Total revenue	3,440	3,209	3,513	2,507	3,517	2,570	3,355	3,061	424	404	-805	-681	13,444	11,070	2,979	0
Profit/loss from operating activities (EBIT)	275	150	19	-51	103	68	64	16	-95	-74	0	0	366	109	185	0
Net income from associates	0	0	0	0	0	0		0	0	26	0	0	0	26	0	0
Capex	56	70	206	90	28	14	73	39	61	24	0	0	424	237	26	0
Depreciation, amortisation and write-downs	85	86	117	108	24	27	82	85	55	67	0	0	363	373	36	0
Other non-cash expenses	36	50	47	181	11	22	26	75	21	16			141	344	130	0

Information about geographical regions

€m			Europe 6	excluding							Co	ontinuing	Disc	ontinued
		Germany ¹⁾	1	Germany ¹⁾	,	Americas ¹⁾	As	ia Pacific1)	Othe	r regions1)	0	perations1)	op	perations
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
1 January to 30 June														
External revenue	8,247	7,779	9,929	8,203	4,750	3,156	2,938	2,621	789	816	26,653	22,575	5,728	1,634
Non-current assets ²⁾	3,997	3,855	7,598	7,665	3,294	3,261	2,968	2,934	584	624	18,441	18,339	2,373	0
Capex	251	208	252	148	156	69	80	35	29	18	768	478	43	7
Q2														
External revenue	4,050	3,721	5,026	4,097	2,422	1,488	1,522	1,361	424	403	13,444	11,070	2,979	0
Capex	161	117	112	63	103	29	32	19	16	9	424	237	26	0

¹⁾ Notes 4 and 12. 2) As at 31 December 2008 and 30 June 2009. 3) Including non-interest-bearing provisions. 4) Average FTE.

Selected Explanatory Notes

Company information

Deutsche Post AG is a listed corporation domiciled in Germany.

1 Basis of accounting

The accompanying condensed consolidated interim financial statements as at 30 June 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS) and related interpretations issued by the International Accounting Standards Board (IASB) for interim financial reporting, as adopted by the European Union. These interim financial statements thus include all information and disclosures required by IFRS to be presented in condensed interim financial statements.

Preparation of the condensed consolidated interim financial statements for interim financial reporting in accordance with IAS 34 requires the Board of Management to exercise judgement and make estimates and assumptions that affect the application of accounting policies in the Group and the presentation of assets, liabilities, income and expenses. Actual amounts may differ from these estimates. The results obtained thus far in financial year 2009 are not necessarily an indication of the further development of the course of business.

The accounting policies applied to the condensed consolidated interim financial statements are generally based on the same accounting policies used in the consolidated financial statements for financial year 2008, with the exception of the new or amended accounting pronouncements required to be applied since financial year 2009.

With the application of IAS 1 (Presentation of Financial Statements) (revised 2007), the consolidated interim financial statements contain, in addition to the income statement, a statement reconciling profit or loss to total comprehensive income and presenting components of other comprehensive income.

IFRS 8 (Operating Segments) was applied for the first time in financial year 2009; further details can be found in • Note 12.

The following Standards, amendments to Standards and Interpretations are also required to be applied as of 1 January 2009, but do not have any material effect on the consolidated interim financial statements:

- IAS 23 (Borrowing Costs) (amended)
- IFRS 2 (Share-based Payment) (amended)
- IAS 32 (Financial Instruments: Presentation) (amended)
- IFRIC 13 (Customer Loyalty Programmes)
- IFRIC 14 (IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)
- Improvements to IFRS (May 2008)
- IFRS 1 and IAS 27 (amended)

For further information on the accounting policies applied, please refer to the consolidated financial statements for the year ended 31 December 2008, on which these interim financial statements are based.

The accompanying condensed consolidated interim financial statements have been reviewed.

Consolidated group

In addition to Deutsche Post AG as the Group parent, the consolidated group generally includes all German and foreign entities in which Deutsche Post AG directly or indirectly holds a majority of voting rights, or whose activities it is otherwise able to control.

Consolidated group

	31 Dec. 2008	30 June 2009
Number of fully consolidated companies (subsidiaries)		
German	106	78
Foreign	854	819
Number of proportionately consolidated joint ventures		
German	1	1
Foreign	18	18
Number of equity-accounted companies (associates)		
German	3	30
Foreign	12	30

The changes in the consolidated group are the result of the deconsolidation of Deutsche Postbank AG and its subsidiaries as at the end of February 2009 and their inclusion in the consolidated financial statements as associates as from March 2009.

The final purchase price allocation of Polar Air Cargo Worldwide Inc. (Polar Air), USA, which has been fully consolidated since November 2008, will be presented in a later period as not all necessary information is available at present; © 2008 Annual Report, Note 2, investors.dp-dhl.com.

No significant acquisitions were made in the first six months of 2009. During the first six months of 2009, Deutsche Post DHL made acquisitions that neither individually nor in the aggregate had a significant effect on the Group's net assets, financial position and results of operations.

Insignificant acquisitions

€m	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets		4	4
Current assets	1		1
Cash and cash equivalents			0
	1	4	5
LIABILITIES			
Non-current liabilities and provisions			0
Current liabilities and provisions	0		0
	0		0
Acquisition costs			9
Goodwill			4

In the period ended 30 June 2009, ϵ 28 million was spent on acquiring subsidiaries, less cash and cash equivalents acquired (previous year: ϵ 392 million). Of this amount, ϵ 4 million was attributable to the acquisition of Wegener Post B.V., Netherlands, ϵ 5 million to the acquisition of Trade Clippers Cargo Ltd., Bangladesh, ϵ 8 million to the final instalment payable for the acquisition of Polar Air and ϵ 11 million to advance payments for the planned acquisitions of Chinese companies. The purchase prices of the acquired companies were paid by transferring cash and cash equivalents.

The French company DHL Global Mail Services sas, Chilly-Mazarin, was sold in June 2009. Deconsolidation of this company resulted in a loss of ϵ 21 million, as shown in the following table:

Disposal and deconsolidation effects

€m	
	H1 2009
Disposal effects	
Non-current assets	17
Current assets	21
Cash and cash equivalents	6
Non-current liabilities and provisions	2
Current liabilities and provisions	21
Revenue	40
Deconsolidation loss	21

3 Significant transactions

As planned, Deutsche Post DHL sold its remaining shares in Deutsche Bank AG on the market by the beginning of July 2009. Of its 50 million Deutsche Bank shares, Deutsche Post AG still held 3.75 million on the reporting date. The hedges entered into for these shares are reported under other assets, as well as other liabilities. In the first half of 2009, the Group generated around €100 million more than anticipated from the sale of the shares. So far, Deutsche Post AG has received around €5 billion from the sale of its interest in Postbank.

The transaction for the sale of Postbank shares to Deutsche Bank AG agreed in January was completed on 25 February 2009 as planned. Deutsche Bank AG received a 22.9% interest in Deutsche Postbank AG from Deutsche Post DHL in return for 50 million Deutsche Bank shares from a capital increase. An additional 27.4% interest will be transferred to Deutsche Bank AG after three years when a mandatory exchangeable bond on Postbank shares becomes due. An amount of around €2.6 billion from this mandatory exchangeable bond plus interest expenses of €41 million incurred in the first six months of 2009 has been recognised as a non-current financial liability. In accordance with IAS 39.2 (g), the forward sale of 27.4% of the shares of Postbank contained in the mandatory exchangeable bond has not been recognised or measured.

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

In a third tranche, Deutsche Post DHL and Deutsche Bank AG agreed on options for the sale/purchase of a further 12.1% of the Postbank shares. These options cannot be exercised until February 2012 at the earliest. The options are reported under other noncurrent assets at an amount of ϵ 795 million and under other noncurrent liabilities at an amount of ϵ 24 million. Net finance costs/ net financial income contains gains of ϵ 771 million from changes in the fair value of the options. Because of the increase in the price of Postbank shares between initial recognition and the reporting date, the carrying amount of the options fell by ϵ 173 million.

4 Adjustment of prior-period amounts

The sale of the shares in Deutsche Postbank to Deutsche Bank was completed at the end of February 2009. The profit attributable to the Deutsche Postbank Group, which until that time had been reported in accordance with IFRS 5 as assets held for sale and discontinued operations, is still reported separately in the income statement for the months of January and February 2009 as profit from discontinued operations. The prior-year figures were adjusted accordingly. Effective March 2009, the profit attributable to the remaining 39.5% interest in Postbank is reported under net income from associates.

Additionally, since January 2009 the expected return on plan assets has been reported together with the interest component of pension expenses under net finance costs/net financial income. The prior-year figures were adjusted accordingly.

Effective January 2009, the effects of currency translation differences and related hedging effects are reported separately in net finance costs/net financial income. The prior-year figures were adjusted accordingly.

In addition, the carrying amount of intraperiod deferred staff costs was changed. This did not have any effect on net profit for the full year. The prior-year figures were adjusted accordingly.

€m		Reclassification of Deutsche Postbank	Reclassifica-	Deferred	Reclassifica- tion of current translation	2008
	2008	Group ¹	on plan assets	staff costs	effects	adjusted
Revenue	31,959	-5,306		_		26,653
Other operating income	957	80		_		1,037
Materials expense	-18,876	3,646	_	_		-15,230
Staff costs	-9,221	648	-202	-60		-8,835
Depreciation, amortisation and impairment losses	-792	70	_	_		-722
Other operating expenses	-2,504	506	_	_		-1,998
Net other finance costs/net other financial income	-536	19	202	_		-315
Other financial income	58	-8	_	_	-4	46
Other finance costs	-594	27	202	_	16	-349
Foreign currency result	_			_	-12	-12
Income tax expense	-183	101		11		-71
Profit from continuing operations	806	-236		-49		521
Profit from discontinued operations	_	240		_		240

¹⁾ The reclassification of the amounts attributable to the Deutsche Postbank Group in accordance with IFRS 5 also contains the adjustment of the prior-year figure due to a restatement, see 2008 Annual Report, Note 5.

Income statement disclosures

5 Other operating income

€m	H1 2008	H1 2009
	adjusted 1)	
Income from the reversal of provisions	141	305
Income from currency translation differences	134	106
Rental and lease income	93	88
Insurance income	85	78
Income from derivatives	22	57
Income from fees and reimbursements	54	56
Income from work performed and capitalised	63	52
Commission income	54	52
Reversals of impairment losses on receivables and		
other assets	32	36
Gains on disposal of non-current assets	65	23
Income from the derecognition of liabilities	3	23
Income from the remeasurement of liabilities	72	22
Income from prior-period billings	30	20
Income from loss compensation	11	10
Recoveries on receivables previously written off	4	6
Subsidies	4	3
Miscellaneous	170	139
Total	1,037	1,076

1) Note 4.

Income from the reversal of provisions relates primarily to changes in estimates of the amount of specific future payment obligations from the restructuring of the Us express business and to renegotiations of the compensation payment obligations assumed as part of the restructuring measures in the USA.

Miscellaneous other operating income includes a large number of smaller individual items.

6 Other operating expenses

€m	H1 2008 adjusted ¹⁾	H1 2009
Write-downs of current assets	147	170
Travel and training costs	226	158
Cost of purchased cleaning, transport and security services	147	143
Warranty expenses, refunds and compensation payments	175	142
Other business taxes	191	132
Telecommunication costs	132	123
Expenses from currency translation differences	134	106
Office supplies	102	84
Consulting costs	126	83
Voluntary social benefits	60	73
Losses on disposal of assets	25	67
Insurance costs	61	60
Entertainment and corporate hospitality expenses	83	58
Services provided by the Federal Posts and Telecom- munications Agency	35	44
Other public relations expenses	82	41
Expenses for public relations and customer support	35	32
Legal costs	48	30
Commissions paid	29	30
Contributions and fees	20	20
Expenses from derivatives	28	16
Prior-period other operating expenses	32	15
Audit costs	16	15
Monetary transaction costs	17	12
Tax advice	6	4
Donations	17	1
Miscellaneous	24	105
Total	1,998	1,764

Write-downs of current assets include write-downs of receivables from Arcandor/KarstadtQuelle in the amount of \in 27 million.

Miscellaneous other operating expenses include a large number of smaller individual items.

7 Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses include ϵ 9.7 million of impairment losses on property, plant and equipment in the US express business and a further ϵ 22 million of impairment losses on aircraft due to negative market price developments.

Net finance costs/net financial income

8 The change in net other finance costs/net other financial income is due to the measurement of the hedges on the Deutsche Bank shares and the measurement of the options for the third tranche of the agreement entered into by Deutsche Post and Deutsche Bank.

Profit from discontinued operations

In accordance with IFRS 5, the profit of the Deutsche Postbank Group for the months of January and February 2009 is reported in the income statement under profit from discontinued operations.

Profit from discontinued operations

€m		
	H1 2008	H1 2009
Revenue and operating income	5,739	1,607
Operating expenses	-5,366	-1,631
Profit/loss from operating activities (EBIT)	373	-24
Net finance costs	-30	-13
Profit/loss before taxes		
from discontinued operations	343	-37
Attributable tax expense	-103	25
Profit/loss after taxes		
from discontinued operations	240	-12
Deconsolidation effects		444
Profit from discontinued operations	240	432
·		_

The effects of the deconsolidation of the 22.9% interest are reported under profit from discontinued operations.

Effective March 2009, the remaining shares in the Deutsche Postbank Group are reported at their equity-method carrying amount under non-current financial assets, whilst its profit or loss is reported under net income from associates.

Earnings per share

Basic earnings per share in the period under review were €0.84.

Basic earnings per share

		H1 2008 adjusted ¹	H1 2009
Consolidated net profit for the period attributable to Deutsche Post AG shareholders		614	1,010
Silarenoideis			1,010
Weighted average number of shares			
outstanding	shares	1,208,220,011	1,209,015,874
Basic earnings per share	€	0.51	0.84
of which from continuing operations	€	0.41	0.48
of which from discontinued operations	€	0.10	0.36

¹⁾ Note 4.

Diluted earnings per share for the reporting period were €0.84. There were no stock options for executives at the reporting

Diluted earnings per share

		H1 2008	H1 2009
		adjusted 1)
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	614	1,010
Weighted average number of shares outstanding	shares	1,208,220,011	1,209,015,874
Potentially dilutive shares	shares	1,231,113	0
Weighted average number of shares for diluted earnings	shares	1,209,451,124	1,209,015,874
Diluted earnings per share	€	0.51	0.84
of which from continuing operations	€	0.41	0.48
of which from discontinued operations	€	0.10	0.36
1) Note 4.			

Balance sheet disclosures

Assets held for sale, liabilities associated with assets held for sale

€m		Assets		Liabilities
	31 Dec. 2008	30 June 2009	31 Dec. 2008	30 June 2009
Deutsche Post AG – real estate	31	26	0	0
DHL Network Opera- tions, USA – aircraft	2	13	0	0
DHL Supply Chain, Spain – buildings	15	17	0	0
Deutsche Postbank Group	231,824	0	227,736	0
Other	0	1	0	0
Assets held for sale, liabilities associated with assets held for sale	231,872	57	227,736	0

The amounts attributable to the Deutsche Postbank Group were presented as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5 as at 31 December 2008 and in the period up to and including 28 February 2009. As at 28 February 2009, 22.9% of the Deutsche Postbank Group was deconsolidated. Since 1 March 2009, the remaining 39.5% interest in the Deutsche Postbank Group has been reported under investments in associates in non-current financial assets and accounted for using the equity method.

As part of the restructuring of the us express business, aircraft used by ABX Air were acquired by DHL Network Operations, USA, on the basis of contractual arrangements and the termination of an operating lease, and are now classified as held for sale.

Segment reporting disclosures

1) Segment reporting

IFRS 8 (Operating Segments) has been required to be applied since financial year 2009. Deutsche Post DHL reports four operating segments; these are managed independently by the responsible segment management bodies in line with the products and services offered and the brands, distribution channels and customer profiles involved. Components of the entity are defined as a segment on the basis of the existence of segment managers with bottom-line responsibility who report directly to Deutsche Post DHL's top management.

The "Consolidation" column and the "Corporate Center/ Other" collective segment are reported separately. The collective segment comprises the activities of Global Business Services (GBS) and the Corporate Center, as well as other non-operating activities and other business activities. The profit/loss generated by GBS is allocated to the other operating segments, whilst its assets and liabilities remain with GBS (asymmetrical allocation).

In keeping with internal reporting, capital expenditure (capex) is disclosed in place of the segment investments. The difference is that intangible assets are reported net of goodwill in the capex figure.

The prior-year figures were adjusted because the Pension Service was reallocated from the Financial Services segment to the Mail Division in the third quarter of 2008.

The main geographical regions in which the Group is active are Germany, Europe, the Americas, Asia Pacific and other regions. External revenue, non-current assets and capex are disclosed for these regions. Revenue is allocated to the individual regions on the basis of the location of the reporting entity. The prior-year figures were adjusted accordingly. Non-current assets primarily comprise intangible assets, property, plant and equipment and other non-current assets.

The Deutsche Postbank Group is reported as a discontinued operation for the months of January and February. As of March, the remaining shares disclosed under investments in associates and the net income from associates are reported in the column entitled "Corporate Center/Other".

Reconciliation

€m		
	H1 2008	H1 2009
Total comprehensive income of reportable segments	1,127	277
Corporate Center/Other	-222	-141
Reconciliation to Group/Consolidation	0	0
Profit from operating activities (EBIT)	905	136
Net finance costs/net financial income	-313	610
Profit before income taxes	592	746
Income tax expense	-71	-150
Profit from discontinued operations	240	432
Consolidated net profit for the period	761	1,028

Other disclosures

1 2 Share-based remuneration

The number of stock options and stock appreciation rights (SAR) under the 2003 Stock Option Plan changed as follows:

Stock options

Outstanding SAR as at 30 June 2009	
Outstanding options as at 30 June 2009	0
SAR exercised	0
Stock options exercised	0
SAR lapsed	232,568
Stock options lapsed	2,726,658
Outstanding SAR as at 1 January 2009	232,568
Outstanding options as at 1 January 2009	2,726,658
	Tranche 2004
Number	SOP 2003

The exercise phase of the Tranche 2004 ended on 30 June 2009. Under the terms and conditions of the plan, all options in this tranche not exercised by that date have lapsed.

As at 30 June 2009, provisions for the 2006 SAR Plan and the 2006 Long-Term Incentive Plan (2006 LTIP for the Board of Management) amounted to $\epsilon 7$ million (31 December 2008: $\epsilon 10$ million). No stock options were exercised in the first six months due to the ongoing share price situation. The issued capital was unchanged as against 31 December 2008; it is composed of 1,209,015,874 no-par value registered shares.

11 Related party disclosures

There have been no material changes in related party disclosures as against 31 December 2008; 2008 Annual Report, Note 56, investors.dp-dhl.com.

1 Contingent liabilities

The Group's contingent liabilities have not changed significantly compared with 31 December 2008.

1 6 Other disclosures/Events after the balance sheet date

Arcandor AG and several of its subsidiaries filed an application to open insolvency proceedings at the Essen Local Court in June 2009. Arcandor owns the Karstadt chain of department stores and the mail-order company Quelle and is one of the Deutsche Post DHL Group's largest customers. In 2005, Deutsche Post acquired the logistics activities of the trading group (then known as KarstadtQuelle), including its warehouses, and entered into a ten-year agreement governing further cooperation. Further disclosures can be found in Note 6. Depending on how the insolvency proceedings and Arcandor's economic situation progress, Deutsche Post DHL may experience losses in revenue and earnings and may be forced to recognise impairment losses in its MAIL and SUPPLY CHAIN divisions.

There were no reportable events after the balance sheet date.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, 30 July 2009

Deutsche Post AG The Board of Management

Dr Frank Appel Ken Allen

Walter Scheurle

Polman ade.

Review Report

To Deutsche Post AG

We have reviewed the condensed consolidated interim financial statements - comprising the income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes - and the interim group management report of Deutsche Post AG, Bonn, for the period from 1 January to 30 June 2009 which are part of the half-year financial report pursuant to § (Article) 37w WpHG (Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 30 July 2009

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Klaus-Dieter Ruske Dietmar Prümm Wirtschaftsprüfer Wirtschaftsprüfer (German Public Auditor) (German Public Auditor)



Events and Contacts

Financial calendar¹⁾

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	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
3 August 2010	Interim Report on the first half of 2010, half-year press conference, investors conference call
9 November 2010	Interim Report on the first nine months of 2010, investors conference call

¹⁾ For more information on other events, updates and details of live webcasts, please visit investors.dp-dhl.com.

Investor events

15 September 2009	UBS Transport Conference (London)
16 September 2009	Sanford C. Bernstein's Strategic Decisions Conference (London)
16-17 September 2009	UBS Best of Germany Conference (New York)
23 September 2009	UniCredit German Investment Conference (Munich)
24–25 September 2009	J.P. Morgan West Coast International Conference (San Francisco)
17 November 2009	Nomura German Swiss Conference (Tokyo)
19 November 2009	WestLB Deutschland Conference (Frankfurt/Main)

Contacts

Investor Relations

Tel.: +49 (0) 228 182-63636 Fax: +49 (0) 228 182-63199 E-mail: ir@deutschepost.de

Press office

Tel.: +49 (0) 228 182-99 44 Fax: +49 (0) 228 182-98 80

E-mail: pressestelle@deutschepost.de

Ordering a copy of the Interim Report

External

E-mail: ir@deutschepost.de Online: investors.dp-dhl.com

Internal

GeT and DHL Webshop Mat. no. 675-602-215

English translation

Deutsche Post Foreign Language Services et al.

The English version of the Interim Report January to June 2009 of Deutsche Post AG constitutes a translation of the original German version. Only the German version is legally binding, in so far as this does not conflict with legal provisions in other countries.



Provided your mobile phone has Quick Recognition (QR) software, you can photograph this code to directly access the investors portal on our website.



Deutsche Post AG Headquarters **Investor Relations**

53250 Bonn Germany www.dp-dhl.com

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