INTERIM REPORT

2009

3

January to September

PUBLISHED ON 5 NOVEMBER 2009

Deutsche Post DHL

Key figures

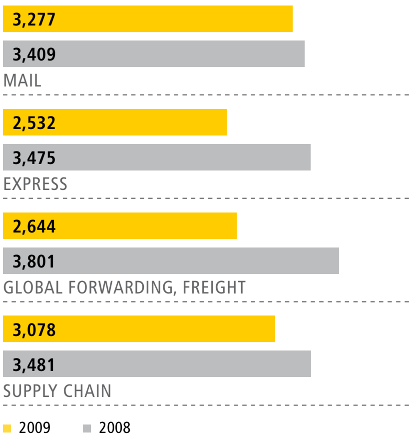
Selected key figures[1)]

		9M 2008 adjusted	9M 2009	+/– %	Q3 2008 adjusted	Q3 2009	+/– %
Revenue	€m	40,454	33,812	–16.4	13,801	11,237	–18.6
Profit from operating activities (EBIT) before non-recurring items	€m	1,372	947	–31.0	420	378	–10.0
Non-recurring items	€m	–486	580	–	–533	147	–
EBIT	€m	1,858	367	–80.2	953	231	–75.8
Return on sales[2)]	%	4.6	1.1		6.9	2.1	
Consolidated net profit/loss for the period[3)]	€m	1,493	927	–37.9	879	–83	<–100
Operating cash flow	€m	1,921	270	–85.9	1,298	499	–61.6
Net debt/net liquidity[4)]	€m	2,412	–16	<–100	–	–	–
Earnings per share[5)]	€	1.24	0.77	–37.9	0.73	–0.07	<–100
Number of employees[6)]		456,716	439,006	–3.9	458,062	435,450	–4.9

1) Excluding Postbank. 2) EBIT/revenue. 3) Excluding minorities, including Postbank. 4) As at 31 December 2008 and 30 September 2009; adjusted for the mandatory exchangeable bond and financial liabilities to Williams Lea minority shareholders. 5) Including Postbank. 6) Average FTE, the number of employees for 9M 2008 corresponds to the average for the year.

Revenue by division[1),2)]
Q3

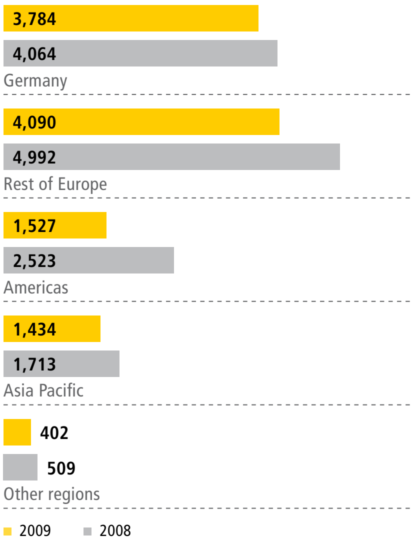
€m



1) Excluding Corporate Center/Other and discontinued operations.
2) Segment reporting, page 33.

Revenue by region[1),2)]
Q3

€m



1) Excluding Postbank.
2) Segment reporting, page 33.

9M

What we achieved in the first nine months of 2009:

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

2009

What we intend to achieve by the end of 2009:

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

Dr Frank Appel

Chief Executive Officer
Deutsche Post AG

Deutsche Post DHL

4 November 2009

Third quarter of 2009

Dear Shareholders,

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

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

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

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

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

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

Yours faithfully,

Frank Appel

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Business and Environment

Organisation

No material changes

In the third quarter of 2009, we did not make any material changes to the Group's organisational structure.

Economic parameters

World economy sees initial signs of recovery

The world economy has been in a severe recession since last winter and recovery has thus far been sluggish. Compared with the prior period, economic output in most industrial nations seemed to have returned to growth in the third quarter of 2009, although global gross domestic product (GDP) and above all global trade remained well below their prior-year levels.

In the United States, third-quarter economic output will in all probability be up again. Demand was driven primarily by expansive monetary and fiscal policy. Private consumption recovered slightly and investments stabilised. Nevertheless, economic activity remained at a very low level, leading the US Federal Reserve to keep its key interest rate at between 0% and 0.25%.

Asia is pulling out of the global economic crisis the fastest. As compared with Q2 2008, in China, second quarter GDP growth was back up to 7.9%. Growth was more pronounced in the third quarter, at 8.9%. The entire region is benefitting from China's demand. In Japan, for instance, GDP appeared to have climbed again in the third quarter but it is expected to be more than 5% below the prior year's level.

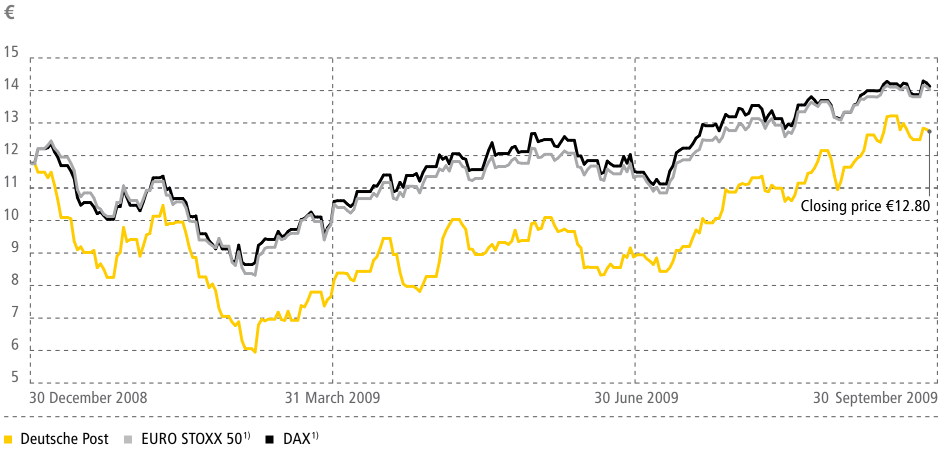
In the euro zone, GDP is expected to have risen again in the third quarter, driven by increasing demand for exports. However, GDP will still most likely fall below the prior-year figure by nearly 4%. The European Central Bank kept its key interest rate at a record low of 1% in order to boost the economy.

In Germany, the economic recovery that began in the second half of the year seems to have accelerated. Exports and new orders improved noticeably, albeit remaining at a very low level – a fact that was reflected in the Ifo Business Climate Index, which rose for the seventh 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.

Our share price regains significant ground

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

Key share data

		30 Dec. 2008	30 Sep. 2009
Number of shares	millions	1,209.0	1,209.0
Closing price	€	11.91	12.80
Market capitalisation	€m	14,399	15,475

		9M 2008	9M 2009
High	€	24.18	13.23
Low	€	14.73	6.65
Average trading volume per day	shares	7,416,997	5,853,453

Peer group comparison

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

Roadmap to Value

Clear focus on profitability

Our capital markets programme continues to focus on our Group-wide cost-cutting drive to lower indirect costs by €1 billion. In fact, we have accelerated the IndEx programme and we expect that we will reach our overall savings goal as early as the end of 2009. This goal is divided amongst the divisions as follows: EXPRESS €460 million, MAIL €180 million, GLOBAL FORWARDING, FREIGHT €160 million, SUPPLY CHAIN €130 million and Corporate Center/Other €70 million. The divisions are meeting their cost reduction targets and so far we have saved €859 million, €139 million of which was saved in 2008 and €720 million in the first nine months of 2009.

Tight cash management

We invested €786 million in the first nine months of 2009, €426 million less than the prior-year period and a substantial reduction in capital expenditure. At the same time we improved working capital year-on-year by €761 million in the reporting period.

Progress made by the Roadmap to Value

	Targets 2007	Achievements	
1 Profitability	• Two-year profit improvement programme of €1 billion initiated.	• Profit improvement reached for 2008 and IndEx programme accelerated.	✔
	• Group EBIT in 2008 to reach at least €4.2 billon.	• EBIT target missed due to various factors including economic downturn, sale of Postbank etc.	✖
2 Liquidity	• Net working capital reduction of €700 million by the end of 2009.	• Target exceeded substantially.	✔
	• Sales of non-strategic assets of at least €1 billion in cash within 24 months.	• Sale of real estate totalled €1.35 billion.	✔
3 Dividend	• Proposed increasing dividend for 2007 by 20% to €0.90 per share and continuous growth in the years to follow.	• 2007 dividend €0.90 2008 dividend €0.60	✖
4 Transparency	• Enhanced transparency and disclosure.	• Transparency increased significantly, enhancing reported detail to a great extent.	✔
5 Organic growth	• Reduce M&A spend.	• No major M&A conducted.	✔

Earnings, Financial Position and Assets and Liabilities

Significant events in the third quarter

Insolvency proceedings opened for Karstadt and Quelle

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

Earnings

Changes in reporting and portfolio

We reported Postbank's activities as discontinued operations until it was sold at the end of February. 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.

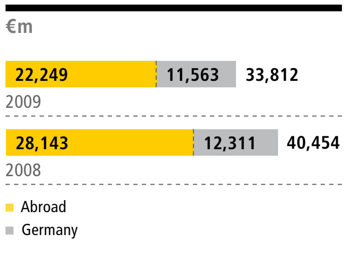
As at 6 February 2009, we increased our stake in Selekt Mail Nederland C.V., a Dutch company, from 51% to 100%. We sold the French company DHL Global Mail Services SAS in June. In July, DHL Sinotrans International Air Courier Ltd. – of which we hold a 51% share – acquired Shanghai Quanyi Express Co. Ltd., a Chinese express provider. The company has been fully consolidated since then.

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 from continuing operations drops

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

Consolidated revenue for continuing operations, 9M



Lower income and expense

The restructuring of our US express business resulted in non-recurring expenses of €311 million in the reporting period. Expenses of €86 million were incurred for this in the prior-year period. Additional restructuring costs for the other business areas amounted to €269 million in the reporting period.

In 2008, the repayment from the EU state aid proceedings generated non-recurring income of €572 million. This was the primary reason for the decrease in other operating income by €506 million year-on-year to €1,473 million.

Note 5

Materials expense declined by €4,585 million or 19.7% to €18,668 million due to lower sales volumes, oil prices and transport costs.

The withdrawal from the domestic US express business in particular affected our staff costs, which fell by 4.2% to €12,561 million (previous year: €13,111 million).

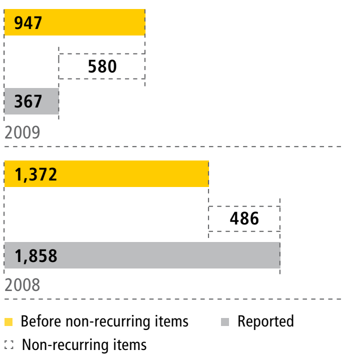
The restructuring of the express business and the Arcandor insolvency are the main reasons for the 6.5% increase in depreciation, amortisation and impairment losses to €1,171 million.

Note 6

We have reduced other operating expenses by 19.1% to €2,518 million (previous year: €3,111 million). Our cost reduction programme has made faster progress than expected: Expenses have dropped considerably, especially in advertising and consulting.

Consolidated EBIT for continuing operations, 9M

€m



Arcandor charge impacts earnings

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

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

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

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

Profit from discontinued operations includes deconsolidation gain

Profit from discontinued operations rose by €532 million year-on-year to €432 million. This figure includes the net loss generated by Postbank in the first two months of 2009 and the deconsolidation gain of €444 million. Details are presented in the Notes.

Note 9

Lower consolidated net profit for the period

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

Financial position and assets and liabilities

Exceptionally strong liquidity

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.

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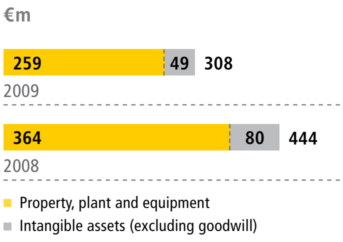
In the first nine months of 2009, the euro remained the main currency in which the Group's debt is denominated. Its share of our financial debt rose, especially because of the mandatory exchangeable bond issued as part of the sale of Postbank and the collateralisation of the put option. The other basic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

The economic and financial crisis is having only a minimal effect on our financing requirements and our refinancing options because our credit quality continues to be rated as adequate and our liquidity is exceptionally high, in part because of the Postbank sale.

As a result, only an average of around 7.1% (previous year: 17.8%) of our unsecured committed credit lines were used in the reporting period. The total volume of these is currently €2.8 billion, €200 million of which had been used as at 30 September 2009. In the first nine months of 2009, we did not have recourse to our commercial paper programme launched at the beginning of 2008.

Significantly lower capital expenditure

Capital expenditure, Q3



The Group's aggregate capital expenditure (capex) amounted to €786 million as at 30 September 2009 (previous year: €1,212 million). Of this figure, €641 million was attributable to property, plant and equipment, and €145 million to intangible assets excluding goodwill. Following the trend in the first two quarters, we significantly reduced our capital expenditure, which declined by 30.6% in the third quarter and 35.1% in the first nine months, in each case compared with the prior-year period. The EXPRESS and SUPPLY CHAIN divisions were again the main contributors to this trend in the reporting period. Investments in property, plant and equipment related mainly to advance payments and assets under development (€162 million), technical equipment and machinery (€119 million), IT equipment (€102 million), transport equipment (€72 million), aircraft (€69 million) and other operating and office equipment (€65 million).

Our regional investments focused mainly on Europe, the Americas and Asia. In Europe, the focus was primarily on Germany, Belgium, the United Kingdom and the Czech Republic. In the Americas, we invested mainly in North America, whilst in Asia, we concentrated our investment activities on Malaysia, India and China.

Capex and depreciation, 9M

€m	MAIL		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Continuing operations	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Capex	169	200	532	281	65	50	286	140	160	115	0	0	1,212	786
Depreciation on assets	253	245	334	319	75	80	244	339	194	188	0	0	1,100	1,171
Capex to depreciation ratio	0.67	0.82	1.59	0.88	0.87	0.63	1.17	0.41	0.82	0.61	–	–	1.10	0.67

Capex and depreciation, Q3

€m	MAIL		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Continuing operations	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Capex	87	83	176	117	20	18	95	41	66	49	0	0	444	308
Depreciation on assets	80	75	113	100	28	26	81	174	76	55	0	0	378	430
Capex to depreciation ratio	1.09	1.11	1.56	1.17	0.71	0.69	1.17	0.24	0.87	0.89	–	–	1.17	0.72

Investments in the MAIL Division in the reporting period increased from €169 million to €200 million because we purchased letter sorting machines for our mail centres in Germany, amongst other things. In addition, we upgraded IT, replaced transport equipment, installed 300 additional Packstations and reorganised the retail outlet network. We expect our productivity and our quality of service to improve as a result.

In the EXPRESS Division, capex nearly halved to €281 million in the first nine months of 2009 (previous year: €532 million) in line with the macroeconomic situation. As before, the main focus of our investments was on maintaining our global aircraft network. Geographically, we concentrated on Europe and the Americas, where we fitted out terminals and continued the restructuring of the US express business.

Capex in the GLOBAL FORWARDING, FREIGHT Division amounted to €50 million in the reporting period, again down substantially on the prior-year level (€65 million). €36 million of this figure was attributable to the Global Forwarding Business Unit, where we fitted out buildings and modernised the IT infrastructure, especially in Europe and Asia Pacific. We invested €14 million in the Freight Business Unit, mainly for IT and buildings, and with a regional focus on Germany.

The SUPPLY CHAIN Division also continued to reduce capital expenditure, by a total of 51.0% to €140 million (previous year: €286 million). We invested mainly in customer projects in order to provide mutually beneficial logistics services and establish long-term relationships. In the United Kingdom, we directed capital expenditure towards warehouse solutions and related equipment for new and existing customers, as well as in transport equipment. In the Americas region, we invested in technical equipment and machinery, which will benefit our customers in the consumer goods and retail sectors. Capital expenditure was reduced the most in Continental Europe, where investments focused above all on new customer project; DHL Supply Chain fitted out warehouses and upgraded IT, whilst Williams Lea invested in printing solutions for customers in Germany.

In the first nine months of 2009, cross-divisional investments – which consisted mainly of vehicle and IT procurement – decreased from €160 million to €115 million. The decline was due to the reduction in vehicle procurement and was partly offset by capital expenditure on IT that was required as part of restructuring measures.

Cash flow statement for continuing operations

Selected cash flow indicators (continuing operations)

€m

	9M 2008	9M 2009
Cash and cash equivalents as at 30 September	1,245	2,729
Change in cash and cash equivalents	–93	1,138
Net cash from operating activities	1,921	270
Net cash used in investing activities	–269	–1,141
Net cash used in/from financing activities	–1,745	2,009

Net cash from operating activities in the first nine months of 2009 amounted to €270 million (previous year: €1,921 million). This decline was attributable to the €1,491 million drop in EBIT and greater utilisation of provisions, which were primarily used for restructuring measures. Although the decrease in receivables and other assets increased the cash inflow, the cash outflow rose because of a decrease in liabilities and other items. The net outflow of working capital fell by a total of €282 million.

At €1,141 million, net cash used in investing activities was significantly higher than the prior-year figure (€269 million). In contrast, cash paid to acquire property, plant and equipment and intangible assets was substantially lower at €804 million (€–357 million) and was used, amongst other things, to modernise our mail centres and IT equipment and to maintain our global aircraft network. The prior year saw investments mainly in the construction of air hubs in Europe and Asia. The higher net cash used in investing activities was also due to changes in current financial instruments which resulted in a net outflow of €648 million. The sale of the Deutsche Bank shares resulted in a cash inflow which was invested in capital market instruments. In addition, the cash generated by the sale of real estate and the interest received on the repayment of EU state aid clearly reduced the cash outflow from investing activities in the prior year. Cash paid to acquire subsidiaries and other business units was significantly lower year-on-year, at €48 million (previous year: €426 million).

Taken together, net cash used in operating activities and net cash used in investing activities resulted in a negative free cash flow of €871 million. In the previous year, the free cash flow was clearly positive, at €1,652 million.

Net cash provided by financing activities amounted to €2,009 million in the first nine months 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 (€725 million). Net cash used in financing activities in the previous year amounted to €1,745 million.

Compared with 31 December 2008, cash and cash equivalents fell from €4,662 million to €2,729 million due to the changes in the cash flows from the individual activities of continuing operations and discontinued operations.

Group's total assets drop due to Postbank sale

Page 30

The deconsolidation of Postbank led to a clear reduction in the Group's total assets as at 30 September 2009. At €34,523 million, these were down €228,441 million on the figure as at 31 December 2008.

Non-current assets increased from €20,517 million to €22,072 million, primarily due to the rise in investments in associates by €1,729 million. Following the deconsolidation, this item contains the remaining shares in Postbank. In addition, the put options received in the course of the sale of Postbank increased the other non-current assets. These rose from €514 million at the start of the financial year to €1,277 million on the reporting date. Property, plant and equipment fell from €6,676 million to €6,353 million, due in particular to depreciation and impairment losses. Deferred tax assets also decreased, by €277 million to €756 million.

The considerable decline in current assets from €242,447 million to €12,451 million is primarily attributable to the Postbank sale: Following its deconsolidation, all Postbank assets were recognised as disposals, thereby reducing assets held for sale to almost zero. Receivables and other assets decreased from €8,715 million to €7,544 million, primarily as a result of the general economic situation. By contrast, current financial instruments rose by €1,639 million to €1,689 million because part of the funds received from the sale of Postbank was invested in the short-term capital market. In addition, cash and cash equivalents increased from €1,350 million to €2,729 million, due in particular to the cash received.

Compared with 31 December 2008, equity attributable to Deutsche Post shareholders rose by €501 million to €8,327 million. 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 the key factor in the 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 and were recognised in full as disposals following its deconsolidation. This resulted in a net decline of €227,736 million. Financial liabilities increased from €4,097 million to €7,195 million. The repayment of bank loans reduced current financial liabilities from €779 million to €292 million. By contrast, non-current financial liabilities increased from €3,318 million to €6,903 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 restructuring measures and lower deferred tax liabilities led to a decline in non-current and current provisions from €10,836 million to €9,646 million. Above all, the weak economic situation in the reporting period resulted in a €550 million decrease in trade payables, whereas the stronger seasonal business at the end of 2008 had increased this item. Other current and non-current liabilities fell by €633 million to €4,479 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/net liquidity. 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/net liquidity decreased from €2,412 million to €–16 million. The equity ratio rose slightly as against 31 December 2008. Due to the lower net debt, net gearing declined from 23.3% to –0.2% as at 30 September 2009.

Selected indicators for net assets (continuing operations)

		31 Dec. 2008 [1]	30 Sep. 2009
Equity ratio	%	23.8	24.5
Net debt/net liquidity	€m	2,412	–16
Net gearing	%	23.3	–0.2

1) Postbank at equity.

Net debt calculation (continuing operations)

€m

	31 Dec. 2008	30 Sep. 2009
Non-current financial liabilities	3,318	6,903
+ Current financial liabilities	779	292
= Financial liabilities	4,097	7,195
– Cash and cash equivalents	1,350	2,729
– Financial instruments	50	1,689
– Long-term deposits [1]	256	120
– Financial liabilities to Williams Lea minority shareholders	29	33
– Mandatory exchangeable bond [2]	0	2,640
Net debt/net liquidity (continuing operations)	2,412	–16

1) Reported in available-for-sale financial assets in the balance sheet.
2) Reported in non-current financial liabilities in the balance sheet.

Divisions

Overview

Revenue and EBIT by operating division

		9M 2008 adjusted	9M 2009	+/– %	Q3 2008 adjusted	Q3 2009	+/– %
MAIL							
Revenue	€m	10,498	9,972	–5.0	3,409	3,277	–3.9
of which Mail Communication	€m	4,431	4,266	–3.7	1,431	1,394	–2.6
Dialogue Marketing	€m	2,074	1,968	–5.1	698	673	–3.6
Press Services	€m	637	610	–4.2	205	196	–4.4
Parcel Germany	€m	1,820	1,806	–0.8	592	595	0.5
Retail outlets	€m	586	588	0.3	193	194	0.5
Global Mail	€m	1,467	1,226	–16.4	459	386	–15.9
Pension Service	€m	68	77	13.2	28	31	10.7
Consolidation/Other	€m	–585	–569	2.7	–197	–192	2.5
Profit from operating activities (EBIT) before non-recurring items	€m	1,165	901	–22.7	344	323	–6.1
Profit from operating activities (EBIT)	€m	1,737	880	–49.3	916	323	–64.7
Return on sales[1]	%	16.5	8.8		26.9	9.9	
EXPRESS							
Revenue	€m	10,355	7,534	–27.2	3,475	2,532	–27.1
of which Europe	€m	4,998	4,129	–17.4	1,618	1,349	–16.6
Americas	€m	2,847	1,082	–62.0	939	375	–60.1
Asia Pacific	€m	2,023	1,856	–8.3	718	654	–8.9
EEMEA (Eastern Europe, Middle East, Africa)	€m	866	774	–10.6	312	252	–19.2
Consolidation/Other	€m	–379	–307	19.0	–112	–98	12.5
Profit from operating activities (EBIT) before non-recurring items	€m	98	76	–22.4	24	131	>100
Profit/loss from operating activities (EBIT)	€m	12	–432	<–100	–15	11	>100
Return on sales[1]	%	0.1	–5.7		–0.4	0.4	
GLOBAL FORWARDING, FREIGHT							
Revenue	€m	10,568	7,874	–25.5	3,801	2,644	–30.4
of which Global Forwarding	€m	7,841	5,683	–27.5	2,900	1,911	–34.1
Freight	€m	2,811	2,255	–19.8	926	753	–18.7
Consolidation/Other	€m	–84	–64	23.8	–25	–20	20.0
Profit from operating activities (EBIT) before non-recurring items	€m	289	205	–29.1	108	76	–29.6
Profit from operating activities (EBIT)	€m	289	168	–41.9	108	55	–49.1
Return on sales[1]	%	2.7	2.1		2.8	2.1	
SUPPLY CHAIN							
Revenue	€m	10,183	9,284	–8.8	3,481	3,078	–11.6
Profit/loss from operating activities (EBIT) before non-recurring items	€m	149	–23	<–100	51	–81	<–100
Profit/loss from operating activities (EBIT)	€m	149	–37	<–100	51	–87	<–100
Return on sales[1]	%	1.5	–0.4		1.5	–2.8	

1) EBIT/revenue.

MAIL

Revenue decreases further

In the first nine months of 2009, revenue in the MAIL Division decreased by 5.0% to €9,972 million (previous year: €10,498 million), due in part to 2.2 fewer working days in the reporting period. In areas sensitive to economic developments, revenue remained below the prior-year figures in line with expectations. Exchange rate gains amounted to €15 million.

Mail Communication business below prior year

Revenue in the Mail Communication Business Unit declined from €4,431 million to €4,266 million. The market is shrinking steadily as a result of increasing use of electronic means of communication – a trend that has been exacerbated by the recession. After a weak second quarter, we saw business customer activities stabilise in the third quarter but overall figures remained below the prior-year level. 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 poor economic conditions.

Mail Communication: volumes

mail items (millions)

	9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Business customer letters	5,090	4,931	–3.1	1,634	1,603	–1.9
Private customer letters	928	906	–2.4	302	300	–0.7
Total	**6,018**	**5,837**	**–3.0**	**1,936**	**1,903**	**–1.7**

Advertising budgets remain limited

In times of economic difficulty, customers change their advertising behaviour – a tendency that we continue to observe in the Dialogue Marketing Business Unit. Mail-order companies, in particular, are investing less in advertising. As a result, volumes declined overall for both addressed and unaddressed advertising mail in the first nine months of the year. However, in the third quarter unaddressed advertising mail recovered slightly in the run-up to Germany's parliamentary elections. Nine-month revenue was €1,968 million, which is 5.1% below the previous year (€2,074 million).

Dialogue Marketing: volumes

mail items (millions)

	9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Addressed advertising mail	4,965	4,591	–7.5	1,687	1,557	–7.7
Unaddressed advertising mail[1]	3,596	3,371	–6.3	1,125	1,132	0.6
Total	**8,561**	**7,962**	**–7.0**	**2,812**	**2,689**	**–4.4**

1) Prior-year figures adjusted to reflect portfolio changes.

Average prices for newspapers and magazines drop

Revenue in the Press Services Business Unit amounted to €610 million, 4.2% below the prior-year figure of €637 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.

Parcel business down slightly year-on-year

Revenue in the Parcel Germany Business Unit was €1,806 million and thus just below the prior year's figure of €1,820 million. Thanks to the growth of online sales, we increased revenue in the German parcel market in spite of the crisis amongst traditional mail-order companies. In private customer business, volumes were up slightly overall. In international business, we transferred Europlus – a parcel product – to the EXPRESS Division, causing total revenue in the Parcel Germany Business Unit to fall below the prior-year level.

Parcel Germany: volumes

parcels (millions)

	9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Business customer parcels[1]	472	465	–1.5	158	155	–1.9
Private customer parcels	75	76	1.3	24	24	0.0
Total	**547**	**541**	**–1.1**	**182**	**179**	**–1.6**

1) Including intra-Group sales.

Retail outlet revenue at prior-year level

Revenue generated by our around 17,000 outlets and sales points reached €588 million, which is on a par with the prior year's figure of €586 million.

International mail business also sees rise in price sensitivity

In the Global Mail Business Unit, revenue decreased from €1,467 million to €1,226 million. Despite exchange rate gains of €15 million, revenue suffered especially from the discontinuation of DHL@home. We no longer offer this product after having reduced our US express network. Our international mail business saw the same trend as in the German market. Customers have become more price sensitive and our traditional import and export business has suffered as a result.

Mail International: volumes

mail items (millions)

	9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Global Mail	5,367	4,949	–7.8	1,746	1,576	–9.7

Year-on-year earnings down significantly

The prior-year figures for profit from operating activities (EBIT) 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. EBIT decreased significantly year-on-year, falling from €1,737 million to €880 million in the nine-month period and from €916 million to €323 million in the third quarter. The repayment awarded in the European Union state aid proceedings had increased earnings by €572 million in the previous year. Adjusted for non-recurring items of €21 million from the sale of DHL Global Mail Services SAS in France, EBIT was down 22.7% in the first nine months of 2009 and 6.1% in the third quarter. This includes an expense of €20 million resulting from the Arcandor insolvency in the reporting period. Through strict cost management, we were able to compensate to a large extent for revenue declines arising from the recession and the structural changes resulting from removing Postbank from the VAT group. However, increases in wages and costs impacted earnings.

Operating cash flow amounted to €523 million (previous year: €1,562 million); the return on sales was 8.8%.

EXPRESS

Revenue and shipment volumes continue to decline

In the first nine months of 2009, revenue in the division declined by 27.2% to €7,534 million (previous year: €10,355 million). Negative currency effects of €88 million impacted this result. Measured in local currencies and adjusted for acquisitions, revenue fell by 27.4%. As in the prior two quarters, this was due in large part to the exit from the domestic express business in the United States, lower volumes and lower fuel surcharge revenues. Outside the US, revenue in local currencies was down by 13.9%. Daily shipment volumes in the Time Definite International product line decreased year-on-year by 11.8%, impacted by the global recession. Outside the US, daily shipment volumes in the Time Definite Domestic and Day Definite Domestic product lines only declined by 2.6% and 2.2%, respectively.

EXPRESS: revenue by product

€m per day

	9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Total						
Time Definite International	26.9	21.7	–19.3	26.5	21.2	–20.0
Time Definite Domestic	9.5	4.1	–56.8	9.3	4.2	–54.8
Day Definite Domestic	9.6	6.8	–29.2	9.0	6.4	–28.9
Excluding the USA						
Time Definite International	23.8	19.8	–16.8	23.3	19.1	–18.0
Time Definite Domestic	4.1	4.2	2.4	4.3	4.1	–4.7
Day Definite Domestic	7.5	6.8	–9.3	7.1	6.4	–9.9

EXPRESS: volumes by product

thousands of items per day

	9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Total						
Time Definite International	515	454	–11.8	494	444	–10.1
Time Definite Domestic	1,282	559	–56.4	1,190	551	–53.7
Day Definite Domestic	1,334	795	–40.4	1,249	759	–39.2
Excluding the USA						
Time Definite International	461	416	–9.8	442	403	–8.8
Time Definite Domestic	568	553	–2.6	550	549	–0.2
Day Definite Domestic	810	792	–2.2	772	759	–1.7

Europe business suffers from lower volumes and weights

Revenue dropped by 17.4% in the Europe region to €4,129 million (previous year: €4,998 million). This includes exchange rate losses of €177 million, primarily attributable to our UK/Ireland, Scandinavia and Central Europe business. Adjusted for these losses as well as acquisitions in Spain and Romania, revenue in the region declined by 14.3%. Our Europe business suffered in the wake of the recession from a drop in Time Definite International volumes and from lower Day Definite Domestic weights.

Cost reduced considerably in the Americas region

Since February 2009, we no longer offer a domestic express product in the United States, and we have massively reduced our cost basis there. Restructuring in the US continued on schedule and amounted to €311 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 62.0% to €1,082 million (previous year: €2,847 million). This figure included exchange rate gains of €28 million. Measured in local currencies, revenue fell by 63.0%. In the International Americas sub-region, revenue fell organically by 12.9% compared with the prior year. The daily shipment volumes in the US Time Definite International product line dropped by 29.4% on account of the recession and our restructuring initiatives – a smaller reduction than anticipated.

Lower volumes in Asia Pacific

Including exchange rate gains of €73 million, revenue in the Asia Pacific region decreased by 8.3% to €1,856 million (previous year: €2,023 million). Revenue declined organically by 13.7%, 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 were down on the prior year by 8.2% and 4.5%, respectively.

Domestic volumes remain steady in the emerging markets

In the EEMEA region (Eastern Europe, Middle East and Africa), revenue, which included exchange rate losses of €10 million, decreased by 10.6% in the first nine months of 2009. Measured in local currencies, revenue fell by 9.5%. Whilst Time Definite International daily shipment volumes continued to fade in line with the global recession, domestic volumes remained at the prior year's levels boosted by business growth in the Middle East and Africa.

Strict cost reductions reflected in earnings performance

Divisional EBIT amounted to €–432 million in the first nine months of the year (previous year: €12 million). Third-quarter performance was positive, with earnings of €11 million (previous year: €–15 million). Adjusted for restructuring costs (€508 million; third quarter: €120 million), EBIT was €76 million in the first nine months and €131 million in the third quarter, €107 million more than in the third quarter of 2008.

The restructuring of our express business is continuing to make progress, especially in the US where we were able to sharply reduce our loss before non-recurring items. Outside the US, EBIT before non-recurring items decreased from €762 million to €466 million due to a decline in both international and domestic shipment volumes. We counteracted this trend in part through strict cost reductions. Prior-year EBIT 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 €155 million to €–622 million.

GLOBAL FORWARDING, FREIGHT

Freight forwarding business overall satisfactory

The GLOBAL FORWARDING, FREIGHT Division generated revenue of €7,874 million in the reporting period, a year-on-year decline of 25.5% (previous year: €10,568 million). The total was impaired by negative currency effects of €5 million. Revenue fell organically by 25.4% in the first three quarters.

In the Global Forwarding Business Unit, revenue declined by 27.5% year-on-year, from €7,841 million to €5,683 million. The decrease was 28.1% after adjustment for exchange rate gains of €42 million. As a result of the drop in air and ocean freight rates in the wake of the global recession, we were able to purchase lower-cost transport and limit the decrease in our gross profit, which fell 9.8% year-on-year from €1,637 million to €1,476 million.

Volume declines in air and ocean freight level off

Despite the fact that cumulative transport volumes in the first nine months of 2009 fell significantly short of the previous year, the third quarter saw volumes stabilise.

Air freight volumes (exports) in the reporting period were 21.0% below prior-year volumes. However, third-quarter volumes were up 8% on the second quarter and nearly 20% on the first quarter of 2009. The technology, manufacturing and mechanical engineering sectors continued to perform well below the prior year, whilst the life sciences and consumer goods sectors experienced improvements thanks to proactive selling. Our revenue in the reporting period fell year-on-year by 32.1% due to lower fuel surcharges and freight rates on numerous trade lanes. Our business in the Middle East and Africa remained robust. The slight recovery in the third quarter can be primarily traced back to our Asian business.

Global Forwarding: revenue

€m

	9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Air freight	4,047	2,748	–32.1	1,487	973	–34.6
Ocean freight	2,494	1,829	–26.7	900	594	–34.0
Other	1,300	1,106	–14.9	513	344	–32.9
Total	**7,841**	**5,683**	**–27.5**	**2,900**	**1,911**	**–34.1**

Global Forwarding: volumes

thousands

		9M 2008	9M 2009	+/– %	Q3 2008	Q3 2009	+/– %
Air freight	tonnes	3,284	2,599	–20.9	1,091	976	–10.5
of which exports	tonnes	1,868	1,476	–21.0	623	533	–14.4
Ocean freight	TEU [1]	2,128	1,928	–9.4	795	708	–10.9

1) Twenty-foot equivalent units.

We outperformed the market in our ocean freight business, recording a 9.4% decrease in volumes in the reporting period compared with the 14% decline in the overall market. The third quarter also saw a slight recovery in ocean freight compared with the two previous quarters of 2009: Volumes were up 10% on the second quarter and 23% on the first quarter. Our revenue dropped 26.7% as a result of falling freight rates. In the Middle East, Africa and the South Asia/Pacific region, our business trend was positive.

The industrial project business continued to show good results in the reporting period, effectively matching the strong performance of the prior year.

We anticipate a sharp rise in purchase prices for transport services in air and ocean freight because transport capacity has been considerably reduced in recent months. We are responding to changing market conditions with price increases. Profit from operating activities (EBIT) declined compared with the previous year in line with the underlying economic conditions.

Revenue in European overland transport business down

The Freight Business Unit reported a year-on-year decline in revenue of 19.8% in the period under review, from €2,811 million to €2,255 million. Adjusted for exchange rate losses of €48 million, revenue shrank organically by 18.1%. Gross profit fell year-on-year from €722 million to €624 million. As in the prior two quarters, countries which rely extensively on the automotive sector registered especially sharp declines.

Operating cash flow remains excellent

Divisional EBIT amounted to €168 million in the first nine months of the year (previous year: €289 million). Third-quarter EBIT was €55 million (previous year: €108 million). Adjusted for restructuring costs (€37 million; third quarter: €21 million), EBIT before non-recurring items was €205 million in the reporting period (previous year: €289 million) and €76 million in the third quarter (previous year: €108 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 sharply 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. Our productivity reached higher levels than before the economic crisis and we reinforced our sales organisation, a move that generated significant new business.

We boosted operating cash flow in the reporting period through strict cash management, raising it from €384 million in the previous year to €518 million. The increase was largely attributable to the Global Forwarding Business Unit. We reduced working capital considerably, which helped to more than compensate for the effect of declined earnings on operating cash flow.

SUPPLY CHAIN

Economic slowdown impacts customer activity levels

SUPPLY CHAIN Division revenue was down 8.8% to €9,284 million for the nine month period (previous year: €10,183 million). Revenue fell organically by 6.0%. This excludes the impact of acquisitions and the effects of currency translation, which amounted to €–290 million in the reporting period. We exited or declined to renew a number of underperforming contracts as a part of our business portfolio review, which accounted for 21% of the organic decline in revenue but had minimal impact on EBIT. The economic downturn had the largest impact on our Americas business. Revenue in the region fell organically by 14%, with volumes in the Automotive and Technology sectors as well as in Transport Management and Home Delivery affected the most. In Continental Europe, volumes decreased in the Technology and Fashion sectors. In Germany, Retail and Home Delivery revenues started to fall on account of the Arcandor insolvency. Revenue in the United Kingdom increased organically by 2%, mainly driven by growth in Healthcare sector revenue. Williams Lea's business grew by 1% from new business wins and the positive development of service and marketing solutions.

Strong business gains in a turbulent market

The Supply Chain Business Unit gained new contracts worth around €850 million in annualised revenue with new and existing customers over the nine month period. Thus, our sound performance in 2009 – winning new business successfully in an uncertain market – continued. The renewal rate remained stable at over 90%.

Earnings impacted by Arcandor insolvency

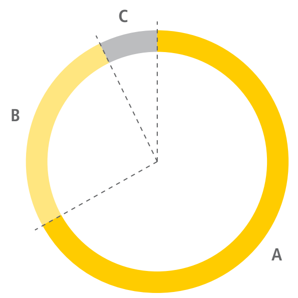
As a result of the insolvency application of Arcandor, we took a total charge of €166 million in the reporting period. This is reflected in a loss from operating activities (EBIT) of €37 million in the first nine months of 2009 (previous year: profit of €149 million) and a loss of €87 million in the third quarter (previous year: profit of €51 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. Adjusted for restructuring costs of €14 million, EBIT before non-recurring items was €–23 million for the first nine months. Excluding the Arcandor charge, restructuring costs and negative currency effects, EBIT only declined by 1% despite revenue falling organically by 6%. On the same basis, the return on sales for the first nine months improved to 1.6% (previous year: 1.5%).

The impact of lower activity levels arising from tough global trading conditions was partially mitigated by reduced overheads and the restructuring initiatives, where we saw the benefit of cost reductions starting to take effect. The division generated a €248 million cash flow from operating activities (previous year: €198 million) through continued good working capital management.

SUPPLY CHAIN, 9M 2009: revenue by region

Total revenue: €9,284 million

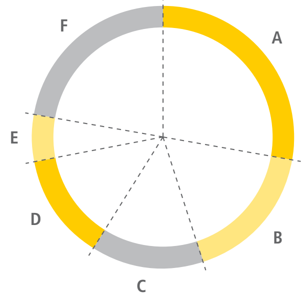
A	67%	Europe/Middle East/Africa
B	26%	Americas
C	7%	Asia Pacific



SUPPLY CHAIN, 9M 2009: revenue by sector

Total revenue: €9,284 million

A	28%	Retail and fashion
B	17%	Consumer goods
C	14%	Healthcare
D	13%	Technology
E	6%	Automotive
F	22%	Chemicals/Williams Lea sectors/ other



Non-financial Performance Indicators

Further decrease in number of employees

The average number of employees (full-time equivalents) decreased in the first nine months of 2009 by 3.9% compared with the previous year's average to 439,006. 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 as an effective navigation instrument

Deutsche Post DHL engages in opportunity and risk management – a system our management team uses to ensure security concerns and added value objectives are incorporated equally into the decision-making process. Whilst more division-specific risk management processes are underway within the Group, the opportunity and risk management system allows us to identify opportunities and risks at an early stage and use this information to navigate our course. The significant risks affecting our earnings, financial position, and assets and liabilities are found in the 2008 Annual Report beginning on page 85. These risks have essentially remained unchanged. Any changes to our risk exposure have been reported in the 2009 interim reports beginning on page 22.

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Economic crisis sees lower volumes

The flow of goods around the world is on decline as a result of the economic crisis and the logistics sector has seen market conditions worsen overall. Many of our business partners have cut back their activities. Initial signs seem to indicate that the downturn may be over but we are nevertheless seeing considerably lower volumes than we anticipated for the year 2009 without accounting for the economic crisis. Reducing our costs whilst at the same time optimising our processes so that customer satisfaction continues to rise remain high priorities in this difficult environment.

Arcandor insolvency impacts earnings

The insolvency proceedings for Karstadt Warenhaus GmbH and Quelle GmbH opened on 1 September 2009. Both companies are key Deutsche Post DHL customers in Germany. Despite the fact that Arcandor AG and several of its subsidiaries filed an application to open insolvency proceedings in June of this year, we continued to provide all services for Karstadt and Quelle. We expect to support the business of Karstadt in the future, although an amended customer master agreement will affect revenue and earnings projections for 2010 and beyond. With regard to our Quelle business, we expect that Quelle GmbH will be liquidated. Given these circumstances, impairment losses are unavoidable, as is a reduction in the headcount. 960 jobs have been affected to date. Since we announced the closure of DHL logistics sites in Bochum, Lehrte and Nuremberg on 22 October 2009, the number of DHL employees affected by the insolvency increased from 560 to 960. Up to 4,000 employees within our Group may be affected by the restructuring measures. The Arcandor insolvency impacted our earnings by €186 million in the reporting period. The question of whether additional significant risk will arise depends on the decisions reached by the creditors of Karstadt and Quelle at their meetings in early November 2009 as well as those reached by the insolvency administrator.

VAT exemption for a mail product challenged

German tax authorities have announced the intention to qualify a VAT-exempt mail product retroactively as subject to VAT. We assume that amended tax assessments will be re-issued for all open tax periods. The VAT exemption for postal services is based on European law (Postal Services Directive, VAT Directive) and national German law (*Postgesetz* (postal act), *Post-Universaldienstleistungsverordnung* (postal universal service ordinance), *Umsatzsteuergesetz* (value added tax act)). Deutsche Post AG classifies its postal services based on these laws either as VAT exempt or VAT liable. The German tax authorities have reviewed this assessment over the years and have not objected to it. We intend to take appropriate legal action against these amended tax assessments. Despite our view that the product's exemption complies with current European and German law, we cannot entirely exclude the possibility of additional tax payments.

Overall assessment of the Group's risk position

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In the first nine months of 2009, no further significant risks arose beyond those presented in the 2008 Annual Report and the 2009 interim reports. Although this year's volumes and the Group's earnings will suffer significantly from the effects of the economic crisis, there are currently no identifiable risks which cast doubt on the company's ability to continue as a going concern.

Further Developments and Outlook

Events after the balance sheet date

On 20 October 2009, the insolvency administrator announced the liquidation of Quelle GmbH. A decision on liquidation by the creditors is expected at their meeting on 11 November 2009. Details are presented in the Notes.

Notes 3 and 16

In wage negotiations covering the approximately 130,000 employees of Deutsche Post, the company and the Verdi services union reached an agreement on 30 October 2009 on a sweeping package designed to secure jobs and stabilise costs at the MAIL Division. Both parties agreed on a wage freeze for 2010 and 2011. Furthermore, an agreement was reached on expanding the use of outsourcing in the parcel and transport area. The social partner also consented to further negotiations aimed at solving the structural problems at Deutsche Post should the company's business situation deteriorate further. Overall, the agreement will result in considerable cost savings of around €140 million in 2010 and around €230 million in 2011 that will have a direct impact on the MAIL Division's earnings.

Upward economic trend continues

The International Monetary Fund (IMF) is forecasting a decline in global economic output of 1.1% in 2009 and a drop in world trade of 11.9%. Although this represents a slight improvement in the IMF's outlook, the slump remains very real. By contrast, there are increasing signs that global production and world trade will continue recovering in the coming months, albeit at a slow pace. Extensive national stimulus packages and extremely low key interest rates in nearly every country are playing an important role in the upturn.

In the United States, the economy is expected to have recovered slightly in the second half of the year, although GDP for the year will sink noticeably (IMF: −2.7%, Postbank Research: −2.6%). The upward economic trend will likely continue in the coming year, although growth is expected to remain at a low level (IMF: 1.5%, Postbank Research: 1.8%).

The Japanese economy will not be able to fully recover from the collapse it suffered at the beginning of the year. GDP in 2009 will fall considerably (IMF: −5.4%, Postbank Research: −5.8%), with forecasts calling for a return to positive figures in 2010 (IMF: 1.7%, Postbank Research: 1.3%). According to the IMF, China's economic momentum in 2009 (8.5%) is likely to remain high compared with other countries and regions and may even increase to 9.0% in 2010.

Economic output in the euro zone is expected to shrink markedly overall in 2009 (IMF: −4.2%, Postbank Research: −3.7%). Forecasts are divided on the likely trend in the coming year: Whilst unemployment will rise further, an improving global climate points toward a moderate economic recovery (IMF: 0.3%, IfW Kiel: 0.8%, Postbank Research: 1.5%).

In Germany, 2009 GDP is likely to fall more sharply than in the euro zone (IMF: −5.3%, IfW Kiel: −4.9%, Postbank Research: −4.7%) given that Germany's export-orientated industry has been hit especially hard by the collapse in world trade at the beginning of the year. In line with forecasts on the euro zone as a whole, opinions are also divided on the extent of economic progress in Germany in the coming year (IMF: 0.3%, IfW Kiel: 1.0%, Postbank Research: 1.7%).

Our business environment

Even if the economic recovery fails to materialise across the board, we expect a smaller drop in transport volumes if not a slight increase based on the low comparative basis. It also remains to be seen whether freight rates in the forwarding sector actually increase as announced.

No material changes to the organisational structure planned

As in the preceding quarters, no material changes to the Group's organisational structure are planned for the fourth quarter of 2009.

Strong liquidity position maintained

No major funding initiatives are currently planned due to the strong liquidity position that we have maintained. The recent weakness in the US dollar may curb our revenue performance. Since we pass on most of the commodity risks to our customers through operating measures the latest increase in crude oil prices should not negatively impact earnings.

Lower capital expenditure planned

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During the remaining three months of 2009, we intend to continue the investment projects already begun. As outlined in the 2008 Annual Report and as demonstrated by our activities in the year to date, we intend to limit capital expenditure in 2009 to slightly more than €1,200 million, substantially lower than the prior-year figure of €1,727 million. In 2010, we plan to maintain investments near 2009 levels.

Employee numbers to remain stable until year end

Our current planning calls for maintaining the total number of employees at the present level until the end of financial year 2009.

Outlook for the full year 2009

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

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

Opportunities

We describe the Group's unchanged 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 September

		9M 2008 adjusted[1]	9M 2009	Q3 2008 adjusted[1]	Q3 2009
Continuing operations					
Revenue	€m	40,454	33,812	13,801	11,237
Other operating income	€m	1,979	1,473	942	397
Total operating income	€m	**42,433**	**35,285**	**14,743**	**11,634**
Materials expense	€m	–23,253	–18,668	–8,023	–6,197
Staff costs	€m	–13,111	–12,561	–4,276	–4,022
Depreciation, amortisation and impairment losses	€m	–1,100	–1,171	–378	–430
Other operating expenses	€m	–3,111	–2,518	–1,113	–754
Total operating expenses	€m	**–40,575**	**–34,918**	**–13,790**	**–11,403**
Profit from operating activities (EBIT)	€m	**1,858**	**367**	**953**	**231**
Net income from associates	€m	2	71	0	25
Other financial income	€m	572	1,729	526	42
Other finance costs	€m	–506	–1,505	–157	–374
Foreign currency result	€m	–2	5	10	–3
Net other finance costs/net other financial income	€m	64	229	379	–335
Net finance costs/net financial income	€m	**66**	**300**	**379**	**–310**
Profit/loss before income taxes	€m	**1,924**	**667**	**1,332**	**–79**
Income taxes	€m	–335	–133	–264	17
Profit/loss from continuing operations	€m	**1,589**	**534**	**1,068**	**–62**
Discontinued operations					
Profit/loss from discontinued operations	€m	**–100**	**432**	**–340**	**0**
Consolidated net profit/loss for the period	€m	**1,489**	**966**	**728**	**–62**
attributable to					
Deutsche Post AG shareholders	€m	1,493	927	879	–83
Minorities	€m	–4	39	–151	21
Basic earnings per share	€	**1.24**	**0.77**	**0.73**	**–0.07**
of which from continuing operations	€	1.28	0.41	0.87	–0.07
of which from discontinued operations	€	–0.04	0.36	–0.14	0.00
Diluted earnings per share	€	**1.24**	**0.77**	**0.73**	**–0.07**
of which from continuing operations	€	1.28	0.41	0.87	–0.07
of which from discontinued operations	€	–0.04	0.36	–0.14	0.00

1) Note 4.

Statement of Comprehensive Income

1 January to 30 September

€m	9M 2008 adjusted[1]	9M 2009	Q3 2008 adjusted[1]	Q3 2009
Consolidated net profit/loss for the period	**1,489**	**966**	**728**	**–62**
Currency translation reserve				
Changes from unrealised gains and losses	–27	155	278	–169
Changes from realised gains and losses	0	–31	0	0
Other changes in retained earnings				
Changes from unrealised gains and losses	0	0	0	0
Changes from realised gains and losses	0	0	0	0
Hedging reserve				
Changes from unrealised gains and losses	48	–50	54	–31
Changes from realised gains and losses	0	0	0	0
Revaluation reserve in accordance with IAS 39				
Changes from unrealised gains and losses	–1,970	921	–577	–1
Changes from realised gains and losses	125	–829	128	0
Revaluation reserve in accordance with IFRS 3				
Changes from unrealised gains and losses	0	–1	–8	–1
Changes from realised gains and losses	0	0	0	0
Income tax relating to components of other comprehensive income	443	–4	97	0
Share of other comprehensive income of associates (after tax)	0	91	0	94
Other comprehensive income (after tax)	**–1,381**	**252**	**–28**	**–108**
Total comprehensive income	**108**	**1,218**	**700**	**–170**
attributable to				
Deutsche Post AG shareholders	800	1,226	994	–181
Minorities	–692	–8	–294	11

1) Note 4.

Balance Sheet

As at 30 September 2009

€m

	31 Dec. 2008	30 Sep. 2009
ASSETS		
Intangible assets	11,627	11,481
Property, plant and equipment	6,676	6,353
Investment property	32	31
Investments in associates	61	1,790
Other non-current financial assets	574	384
Non-current financial assets	635	2,174
Other non-current assets	514	1,277
Deferred tax assets	1,033	756
Non-current assets	**20,517**	**22,072**
Inventories	269	232
Income tax assets	191	189
Receivables and other assets	8,715	7,544
Financial instruments	50	1,689
Cash and cash equivalents	1,350	2,729
Assets held for sale	231,872	68
Current assets	**242,447**	**12,451**
Total assets	**262,964**	**34,523**
EQUITY AND LIABILITIES		
Issued capital	1,209	1,209
Other reserves	439	738
Retained earnings	6,178	6,380
Equity attributable to Deutsche Post AG shareholders	**7,826**	**8,327**
Minority interest	2,026	114
Equity	**9,852**	**8,441**
Provisions for pensions and other employee benefits	4,685	4,636
Deferred tax liabilities	833	433
Other non-current provisions	2,511	2,218
Non-current provisions	**8,029**	**7,287**
Non-current financial liabilities	3,318	6,903
Other non-current liabilities	367	402
Non-current liabilities	**3,685**	**7,305**
Non-current provisions and liabilities	**11,714**	**14,592**
Current provisions	**2,807**	**2,359**
Current financial liabilities	779	292
Trade payables	4,980	4,430
Income tax liabilities	351	332
Other current liabilities	4,745	4,077
Liabilities associated with assets held for sale	227,736	0
Current liabilities	**238,591**	**9,131**
Current provisions and liabilities	**241,398**	**11,490**
Total equity and liabilities	**262,964**	**34,523**

Cash Flow Statement

1 January to 30 September

€m	9M 2008 adjusted[1]	9M 2009	Q3 2008 adjusted[1]	Q3 2009
Profit/loss before income taxes	**1,924**	**667**	**1,332**	**–79**
Net other finance costs/net other financial income	–64	–229	–379	335
Net income from associates	–2	–71	0	–25
Profit from operating activities (EBIT)	**1,858**	**367**	**953**	**231**
Depreciation/amortisation of non-current assets	1,100	1,171	378	430
Net income from disposal of non-current assets	–48	49	–7	8
Non-cash income and expense	82	83	12	6
Change in provisions	–457	–1,035	–92	–234
Change in other assets and liabilities	–4	–22	25	–10
Income taxes paid	–237	–252	–53	–73
Net cash from operating activities before changes in working capital	**2,294**	**361**	**1,216**	**358**
Changes in working capital				
Inventories	–29	40	12	6
Receivables and other assets	–480	703	–18	90
Liabilities and other items	136	–834	88	45
Net cash from operating activities due to continuing operations	**1,921**	**270**	**1,298**	**499**
Net cash used in/from operating activities due to discontinued operations	–662	–1,828	1,990	0
Total net cash from/used in operating activities	**1,259**	**–1,558**	**3,288**	**499**
Proceeds from disposal of non-current assets				
Subsidiaries and other business units	1	–6	1	0
Property, plant and equipment and intangible assets	636	139	63	39
Other non-current financial assets	168	318	9	14
	805	**451**	**73**	**53**
Cash paid to acquire non-current assets				
Subsidiaries and other business units	–426	–48	–31	–20
Property, plant and equipment and intangible assets	–1,161	–804	–429	–301
Other non-current financial assets	–75	–170	0	–27
	–1,662	**–1,022**	**–460**	**–348**
Interest received	544	78	516	13
Postbank dividend	103	0	0	0
Current financial instruments	–59	–648	–64	–529
Net cash used in/from investing activities due to continuing operations	**–269**	**–1,141**	**65**	**–811**
Net cash from/used in investing activities due to discontinued operations	517	–1,253	–5	0
Total net cash from/used in investing activities	**248**	**–2,394**	**60**	**–811**
Proceeds from issuance of non-current financial liabilities	111	3,967	33	–16
Repayments of non-current financial liabilities	–381	–379	–111	–28
Change in current financial liabilities	–85	–527	–1,080	–35
Other financing activities	29	–76	–39	–26
Dividend paid to Deutsche Post AG shareholders	–1,087	–725	0	0
Dividend paid to other shareholders	–49	–10	–16	–2
Issuance of shares under stock option plan	21	0	3	0
Interest paid	–304	–241	–61	–56
Net cash used in/from financing activities due to continuing operations	**–1,745**	**2,009**	**–1,271**	**–163**
Net cash from financing activities due to discontinued operations	245	7	448	0
Total net cash used in/from financing activities	**–1,500**	**2,016**	**–823**	**–163**
Net change in cash and cash equivalents	7	–1,936	2,525	–475
Effect of changes in exchange rates on cash and cash equivalents	–3	3	33	–18
Changes in cash and cash equivalents due to changes in consolidated group	2	0	0	0
Cash and cash equivalents at beginning of reporting period	4,683	4,662	2,131	3,222
Total cash and cash equivalents at end of reporting period	**4,689**	**2,729**	**4,689**	**2,729**
Less cash and cash equivalents of discontinued operations at end of reporting period	3,486	0	3,486	0
Plus cash and cash equivalents of continuing operations at discontinued operations at end of reporting period	42	0	42	0
Cash and cash equivalents of continuing operations at end of reporting period	**1,245**	**2,729**	**1,245**	**2,729**

1) Note 4.

Statement of Changes in Equity

1 January to 30 September

€m		Other reserves							
	Issued capital	Capital reserve	IAS 39 reserves	Revaluation reserve	Currency translation reserve	Retained earnings	Equity 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	19					21		21
Stock option plans (issuance)		4					4		4
							–1,062	**–164**	**–1,226**
Total comprehensive income									
Consolidated net profit[1]						1,493	1,493	–4	1,489
Currency translation differences					–25		–25	–2	–27
Other changes			–676	8			–668	–686	–1,354
							800	**–692**	**108**
Balance at 30 September 2008	**1,209**	**2,142**	**–1,023**	**8**	**–922**	**9,359**	**10,773**	**1,922**	**12,695**
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	–10	–735
Changes in minority interest due to changes in consolidated group							0	–1,894	–1,894
Stock option plans (exercise)							0		0
Stock option plans (issuance)							0		0
							–725	**–1,904**	**–2,629**
Total comprehensive income									
Consolidated net profit						927	927	39	966
Currency translation differences					112		112	3	115
Other changes			188	–1			187	–50	137
							1,226	**–8**	**1,218**
Balance at 30 September 2009	**1,209**	**2,142**	**–126**	**7**	**–1,285**	**6,380**	**8,327**	**114**	**8,441**

1) Note 4.

Segment Reporting

Segments by division

€m	MAIL[1]		EXPRESS[1]		GLOBAL FORWARDING, FREIGHT[1]		SUPPLY CHAIN[1]		Corporate Center/ Other[1]		Consolidation[1]		Continuing operations[1]		Discontinued operations	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
1 January to 30 September																
External revenue	10,340	9,836	9,976	7,306	10,005	7,430	10,063	9,188	70	52	0	0	40,454	33,812	8,569	1,634
Internal revenue	158	136	379	228	563	444	120	96	1,171	1,104	–2,391	–2,008	0	0	0	0
Total revenue	10,498	9,972	10,355	7,534	10,568	7,874	10,183	9,284	1,241	1,156	–2,391	–2,008	40,454	33,812	8,569	1,634
Profit/loss from operating activities (EBIT)	1,737	880	12	–432	289	168	149	–37	–329	–212	0	0	1,858	367	–45	–24
Net income from associates	0	0	2	0	0	0	0	0	0	71	0	0	2	71	0	0
Segment assets[2]	3,683	3,731	8,878	8,539	6,887	6,395	6,460	5,972	1,345	1,221	–401	–208	26,852	25,650	227,364	0
Investments in associates[2]	22	22	32	39	6	6	0	0	1	1,723	0	0	61	1,790	0	0
Segment liabilities[2,3]	2,412	2,293	3,149	2,564	2,305	2,140	2,900	2,590	1,294	1,101	–421	–232	11,639	10,456	218,730	0
Capex	169	200	532	281	65	50	286	140	160	115	0	0	1,212	786	60	7
Depreciation, amortisation and write-downs	253	245	334	319	75	80	244	339	194	188	0	0	1,100	1,171	99	0
Other non-cash expenses	214	161	133	564	42	82	75	170	59	37	0	0	523	1,014	406	114
Employees[4]	146,184	145,980	112,420	100,254	41,602	40,478	141,060	137,376	15,450	14,918	0	0	456,716	439,006	22,175	0
Q3																
External revenue	3,362	3,229	3,356	2,456	3,619	2,495	3,439	3,043	25	14	0	0	13,801	11,237	2,841	0
Internal revenue	47	48	119	76	182	149	42	35	401	341	–791	–649	0	0	0	0
Total revenue	3,409	3,277	3,475	2,532	3,801	2,644	3,481	3,078	426	355	–791	–649	13,801	11,237	2,841	0
Profit/loss from operating activities (EBIT)	916	323	–15	11	108	55	51	–87	–107	–71	0	0	953	231	–418	0
Net income from associates	0	0	0	0	0	0	0	0	0	25	0	0	0	25	0	0
Capex	87	83	176	117	20	18	95	41	66	49	0	0	444	308	17	0
Depreciation, amortisation and write-downs	80	75	113	100	28	26	81	174	76	55	0	0	378	430	29	0
Other non-cash expenses	140	31	40	181	17	43	22	71	–2	–5	0	0	217	321	159	0

Information about geographical regions

€m	Germany[1]		Europe excluding Germany[1]		Americas[1]		Asia Pacific[1]		Other regions[1]		Continuing operations[1]		Discontinued operations	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
1 January to 30 September														
External revenue	12,311	11,563	14,921	12,293	7,273	4,683	4,651	4,055	1,298	1,218	40,454	33,812	8,569	1,634
Non-current assets[2]	3,997	3,806	7,598	7,510	3,294	3,177	2,968	2,908	584	601	18,441	18,002	2,373	0
Capex	468	407	379	211	216	91	104	52	45	25	1,212	786	60	7
Q3														
External revenue	4,064	3,784	4,992	4,090	2,523	1,527	1,713	1,434	509	402	13,801	11,237	2,841	0
Capex	217	199	127	63	60	22	24	17	16	7	444	308	17	0

1) Notes 4 and 12.
2) As at 31 December 2008 and 30 September 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 September 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 not been audited.

2 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 Sep. 2009
Number of fully consolidated companies (subsidiaries)		
German	106	79
Foreign	854	818
Number of proportionately consolidated joint ventures		
German	1	1
Foreign	18	18
Number of companies accounted for at equity (associates)		
German	3	30
Foreign	12	29

The changes in the consolidated group are a 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.

As a result of contractual arrangements that took effect at the end of October 2008, the US company Polar Air Cargo Worldwide, Inc. (Polar Air) has been fully consolidated since November 2008. This company was previously included as an associate in the consolidated financial statements. The preliminary purchase price allocation for this acquisition was presented in the consolidated financial statements for the year ended 31 December 2008, as not all the information required for final purchase price allocation was available at that time. This resulted in provisional goodwill of €100 million. Final purchase price allocation has now been completed as at 30 September 2009 and did not result in any adjustments compared with the preliminary purchase price allocation previously presented.

In the period ended 30 September 2009, Deutsche Post DHL also made further acquisitions that did not have any material effect on the Group's net assets, financial position and results of operations either individually or in the aggregate.

Insignificant acquisitions

€m	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets	5	4	9
Current assets	7	–	7
Cash and cash equivalents	3	–	3
	15	**4**	**19**
EQUITY AND LIABILITIES			
Non-current liabilities and provisions	0	–	0
Current liabilities and provisions	11	–	11
	11	**–**	**11**
Net assets			**8**
Acquisition costs			50
Less net assets			–8
Difference			**42**
of which minority interest			–17
Goodwill			**25**

In the period ended 30 September 2009, €48 million (previous year: €395 million) was spent on acquiring subsidiaries, less cash and cash equivalents acquired. The purchase prices of the acquired companies were paid by transferring cash and cash equivalents.

The French company DHL Global Mail Services SAS, France, was sold during the reporting period. Its deconsolidation resulted in a loss of €21 million, as shown in the following table:

Disposal and deconsolidation effects

€m	9M 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. Deutsche Post AG has received a total of 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 €72 million until 30 September 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 €571 million in the period up to September 2009; this amount is contained in the profit/loss 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 non-current assets in the amount of €663 million and under other non-current liabilities in the amount of €44 million. Net finance costs/net financial income contains gains of €619 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 €325 million.

The insolvency proceedings for Karstadt Warenhaus GmbH and Quelle GmbH opened on 1 September 2009. Both companies are key Deutsche Post DHL customers in Germany. 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. Despite the insolvency proceedings, Deutsche Post DHL has continued to provide all services for Karstadt and Quelle. However, an amended customer master agreement will affect revenue and earnings projections for 2010 and beyond. Given these circumstances, impairment losses in the MAIL and SUPPLY CHAIN divisions and a reduction in the headcount are unavoidable. 560 jobs have been affected to date. The insolvency impacted earnings by €186 million in the reporting period. The extent of the impact was calculated based on the assumption that Quelle GmbH will be liquidated. The question of whether additional risks will arise depends on the decisions reached by the creditors of Karstadt and Quelle at their meetings in early November 2009 as well as those reached by the insolvency administrator, Note 16.

4 Adjustment of prior-period amounts

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 will not affect net profit for the full year. The prior-year figures were adjusted accordingly.

The prior-period amount for profit/loss from discontinued operations was adjusted to reflect a restatement by the Deutsche Postbank Group in financial year 2008. More detailed information is contained in the 2008 Annual Report, Note 5, investors.dp-dhl.com.

Adjustment of prior-period amounts

€m	9M 2008	Adjustment Deutsche Postbank Group	Reclassification of return on plan assets	Deferred staff costs	Reclassification of currency translation effects	9M 2008 adjusted
Staff costs	–12,838	–	–303	30	–	–13,111
Net other finance costs/net other financial income	–239	–	303	–	0	64
Other financial income	572	–	–	–	0	572
Other finance costs	–811	–	303	–	2	–506
Foreign currency result	–	–	–	–	–2	–2
Income taxes	–329	–	–	–6	–	–335
Profit from continuing operations	1,565	–	–	24	–	1,589
Profit/loss from discontinued operations	–106	6	–	–	–	–100

Income statement disclosures

5 Other operating income

€m	9M 2008	9M 2009
Income from the reversal of provisions	146	375
Income from currency translation differences	151	133
Rental and lease income	134	132
Insurance income	133	129
Income from work performed and capitalised	110	84
Income from fees and reimbursements	81	82
Income from derivatives	48	76
Commission income	63	57
Reversals of impairment losses on receivables and other assets	48	50
Income from the remeasurement of liabilities	95	37
Gains on disposal of non-current assets	77	28
Income from the derecognition of liabilities	10	26
Income from prior-period billings	38	27
Income from loss compensation	17	16
Recoveries on receivables previously written off	6	9
Subsidies	5	4
Income from state aid repayment	572	0
Miscellaneous	245	208
Total	**1,979**	**1,473**

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	9M 2008	9M 2009
Travel and training costs	332	224
Write-downs of current assets	193	221
Warranty expenses, refunds and compensation payments	259	213
Cost of purchased cleaning, transport and security services	223	212
Other business taxes	253	201
Telecommunication costs	201	179
Expenses from currency translation differences	152	135
Office supplies	152	125
Consulting costs	190	124
Losses on disposal of assets	33	108
Voluntary social benefits	111	107
Insurance costs	85	84
Entertainment and corporate hospitality expenses	117	76
Services provided by the Federal Posts and Telecommunications Agency	52	63
Other public relations expenses	122	63
Legal costs	65	54
Commissions paid	48	49
Advertising expenses	110	45
Expenses for public relations and customer support	54	43
Contributions and fees	30	28
Expenses from derivatives	46	25
Audit costs	25	22
Prior-period other operating expenses	62	21
Monetary transaction costs	27	19
Additions to provisions	3	12
Tax advice	10	6
Donations	18	1
Miscellaneous	138	58
Total	**3,111**	**2,518**

The reduction in other operating expenses is attributable primarily to the Group-wide cost reduction programme.

Write-downs of current assets include write-downs of receivables from Arcandor/KarstadtQuelle in the amount of €32 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 impairment losses of €17 million on property, plant and equipment in the US express business, impairment losses of €22 million on aircraft due to negative market price developments and impairment losses of €94 million relating to the Arcandor insolvency.

8 Net finance costs/net financial income

Net other finance costs/net other financial income includes realised gains from the sale of Deutsche Bank shares as well as the measurement of the options for the third tranche of the agreement entered into by Deutsche Post and Deutsche Bank.

9 Profit/loss from discontinued operations

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

Profit/loss from discontinued operations

€m

	9M 2008	9M 2009
Revenue and operating income	8,152	1,607
Operating expenses	–8,197	–1,631
Loss from operating activities (EBIT)	**–45**	**–24**
Net finance costs	–50	–13
Loss before taxes from discontinued operations	**–95**	**–37**
Attributable tax expense	–5	25
Loss after taxes from discontinued operations	**–100**	**–12**
Deconsolidation effects	0	444
Profit/loss from discontinued operations	**–100**	**432**

The effects of the deconsolidation of the 22.9% interest are reported under profit/loss 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.

10 Earnings per share

Basic earnings per share in the period under review were €0.77.

Basic earnings per share

		9M 2008 adjusted[1]	9M 2009
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	1,493	927
Weighted average number of shares outstanding	shares	1,208,485,299	1,209,015,874
Basic earnings per share	**€**	**1.24**	**0.77**
of which from continuing operations	€	1.28	0.41
of which from discontinued operations	€	–0.04	0.36

1) Note 4.

Diluted earnings per share in the period under review were €0.77. There were no stock options for executives at the reporting date.

Diluted earnings per share

		9M 2008 adjusted[1]	9M 2009
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	1,493	927
Weighted average number of shares outstanding	shares	1,208,485,299	1,209,015,874
Potentially dilutive shares	shares	294,697	0
Weighted average number of shares for diluted earnings	shares	1,208,779,996	1,209,015,874
Diluted earnings per share	**€**	**1.24**	**0.77**
of which from continuing operations	€	1.28	0.41
of which from discontinued operations	€	–0.04	0.36

1) Note 4.

Balance sheet disclosures

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

€m	Assets		Liabilities	
	31 Dec. 2008	30 Sep. 2009	31 Dec. 2008	30 Sep. 2009
Deutsche Post AG – real estate	31	22	0	0
DHL Supply Chain, Spain – buildings	15	17	0	0
Astar AirCargo Inc., USA – aircraft	0	16	0	0
DHL Network Operations, USA – aircraft	2	12	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**	**68**	**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. Effective 28 February 2009, the Deutsche Postbank Group was deconsolidated due to the sale of a 22.9% interest and the associated loss of control. Since 1 March 2009, the remaining 39.5% interest in the Deutsche Postbank Group has been reported as investments in associates under 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.

Astar AirCargo has surplus capacities due to the restructuring of the US express business and the impacts of the recession. Aircraft with a value of €16 million are therefore planned to be sold.

Segment reporting disclosures

12 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 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 domicile 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	9M 2008	9M 2009
Total comprehensive income of reportable segments	2,187	579
Corporate Center/Other	–329	–212
Reconciliation to Group/Consolidation	0	0
Profit from operating activities (EBIT)	**1,858**	**367**
Net financial income	66	300
Profit before income taxes	**1,924**	**667**
Income taxes	–335	–133
Profit/loss from discontinued operations	–100	432
Consolidated net profit for the period	**1,489**	**966**

Other disclosures

13 Share-based remuneration

The exercise phase of the 2004 tranche of the 2003 stock option plan ended on 30 June 2009. Under the terms and conditions of the plan, all stock options and stock appreciation rights (SAR) of this tranche not exercised by 30 June 2009 expired:

Stock options

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

Provisions for SAR plans as at 30 September 2009 amounted to €9 million (31 December 2008: €10 million). The issued capital was unchanged as against 31 December 2008; it is composed of 1,209,015,874 no-par value registered shares.

14 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.

15 Contingent liabilities

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

16 Other disclosures / Events after the balance sheet date

The liquidation of the Quelle GmbH mail-order company was announced on 20 October 2009. The closure of Quelle GmbH will lead to additional restructuring measures and a reduction in the headcount by 400 employees at Deutsche Post DHL. Presentation of these facts in the financial statements will only be possible in the fourth quarter of 2009.

Events and Contacts

Financial calendar[1)]

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[1)]

10–11 November 2009	Cheuvreux Pan-European Management Conference (New York)
17 November 2009	Nomura German Swiss Conference (Tokyo)
19 November 2009	WestLB Deutschland Conference (Frankfurt/Main)
11–13 January 2010	Commerzbank German Investment Seminar (New York)
18–20 January 2010	Cheuvreux German Corporate Conference (Frankfurt/Main)

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

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