SHOWING RESPECT.
DELIVERING RESULTS.

ANNUAL REPORT
2009

Deutsche Post DHL

Deutsche Post DHL

Deutsche Post DHL is the world's leading mail and logistics services group. The Deutsche Post and DHL corporate brands offer a one-of-a-kind portfolio of logistics (DHL) and communications (Deutsche Post) services. The Group provides its customers with both easy to use standardised products as well as innovative and tailored solutions ranging from dialogue marketing to industrial supply chains. About 500,000 employees in more than 220 countries and territories form a global network focused on service, quality and sustainability. With programmes in the areas of climate protection, disaster relief and education, the Group is committed to social responsibility.

The Postal Service for Germany. The Logistics Company for the World.

dp-dhl.com

01 Selected key figures (continuing operations)

		2008 adjusted	2009	+/– %	Q4 2008 adjusted	Q4 2009	+/– %
Profit from operating activities (EBIT) before non-recurring items	€m	2,011	1,473	–26.8	639	526	–17.7
Non-recurring items	€m	2,977	1,242	–58.3	3,463	662	–80.9
EBIT	€m	–966	231	123.9	–2,824	–136	95.2
Revenue	€m	54,474	46,201	–15.2	14,020	12,389	–11.6
Return on sales[1]	%	–1.8	0.5		–20.1	–1.1	
Consolidated net profit/loss[2]	€m	–1,688	644	138.2	–3,181	–283	91.1
Operating cash flow	€m	3,362	1,244	–63.0	1,441	974	–32.4
Net debt/net liquidity[3]	€m	2,466[4]	–1,690	168.5	–	–	–
Return on equity before taxes	%	–9.0	3.0		–	–	
Earnings per share[5]	€	–1.40	0.53	137.9	–2.64	–0.24	90.9
Dividend per share	€	0.60	0.60[6]	–	–	–	–
Number of employees[7]		456,716	436,651	–4.4	–	–	–

1) EBIT/revenue. 2) Excluding minorities, including Postbank. 3) For the calculation please refer to page 44 of the Group Management Report. 4) Postbank at equity. 5) Including Postbank. 6) Proposal. 7) Average FTE.

02 GROUP STRUCTURE

Deutsche Post DHL

Corporate Center

Board department	Chairman of the Board of Management	Finance, Global Business Services	Personnel
Board member	**Dr Frank Appel**	**Lawrence Rosen**	**Walter Scheurle**
Functions	Corporate Office Corporate Legal Corporate Executives Corporate Communications Corporate Development Corporate Regulation Management Corporate First Choice Public Policy and Corporate Responsibility Global Customer Solutions (GCS) HR DHL International DHL Solutions & Innovations (DSI)	Corporate Controlling Corporate Accounting and Reporting Investor Relations Corporate Finance Corporate Internal Audit/Security Taxes Global Business Services (Group-wide services: Procurement, Real Estate, Finance Operations etc.)	HR Standards Germany HR Guidelines Personnel and Labour Management HR MAIL

Divisions

Board department	MAIL		EXPRESS	GLOBAL FORWARDING, FREIGHT	SUPPLY CHAIN
Board member	**Jürgen Gerdes**		**Ken Allen**	**Hermann Ude**	**Bruce Edwards**
Brand	**Deutsche Post**	DHL	DHL	DHL	DHL
Business units/regions	Mail Communication Dialogue Marketing Press Services Retail Outlets Pension Service	Global Mail Parcel Germany	Europe Americas Asia Pacific EEMEA (Eastern Europe, the Middle East, Africa)	Global Forwarding Freight	Supply Chain Williams Lea

03 TARGET-PERFORMANCE COMPARISON

Topic	2009 Goals	2009 Results	2010 Goals
EBIT before non-recurring items	• Group: minimum €1.35 billion.	• Group: €1.47 billion. ✓	• Group: €1.6 billion to €1.9 billion. • MAIL division: €1.0 billion to €1.2 billion. • DHL divisions: €1.0 billion to €1.1 billion. • Corporate Center/Other: approximately €–0.4 billion.
Consolidated net profit	• Generate a net profit excluding minorities.	• Net profit excluding minorities: €644 million. ✓	• Improve net profit in line with operating business.
Capital expenditure (capex)	• Reduce investments from €1.7 billion (2008) to no more than €1.2 billion.	• Invested: €1.17 billion. ✓	• Approximately €1.4 billion.
Costs	• Lower indirect costs by €1 billion by the end of 2009.	• Achieved indirect costs savings in 2009: €1.1 billion. ✓	
Restructuring	• Reduce annualised loss in the US express business to no more than US$400 million.	• Annualised loss in the US express business in the fourth quarter of 2009 in line with target. ✓	

2009

WHAT WE ACHIEVED

We restructured our express business and consolidated our financial position with the proceeds from the sale of Postbank. We saved more than €1.1 billion in indirect costs with our IndEx programme. Although transported volumes were significantly down on the prior-year level, we were also able to cushion the decrease in EBIT before non-recurring items, and at €1.47 billion we even slightly exceeded our forecast, which we had increased to at least €1.35 billion during the course of the year.

2010

WHAT WE INTEND TO ACHIEVE

Provided that there is a moderate recovery in trade volumes, we expect consolidated EBIT before non-recurring items to reach €1.6 billion to €1.9 billion in 2010. Both pillars of our business – Deutsche Post and DHL – should contribute nearly equally to these results. We will increase our investments cautiously to approximately €1.4 billion and use them for organic growth. Although our liquidity position will decline due to restructuring expenditure, it will remain strong. Consolidated net profit is expected to continue to improve in line with our operating business.

CONTENTS

Detailed table of contents

CONTENTS

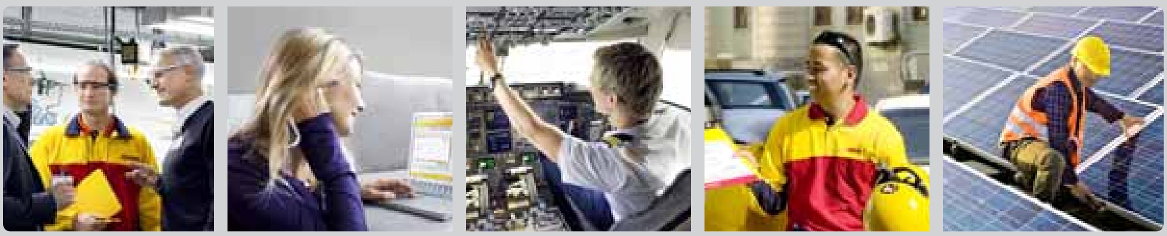
LIVING RESPONSIBILITY

Living Responsibility embodies our commitment to treat people and the environment with respect. On the following pages of this annual report, we provide an overview of how we are expressing this commitment and why we are convinced of it:

SHOWING RESPECT. DELIVERING RESULTS.

Strategically positioned for the future, Deutsche Post DHL is built upon two strong pillars: an integrated international logistics business and a solid mail business with new electronic value added services. Our aim is to remain *Die Post für Deutschland* (The Postal Service for Germany) and to become The Logistics Company for the World.

Clear structures, increased co-operation and mobility within the Group, and respect for the values and needs of our customers, our employees and our environment are helping us to unlock our potential: to realise first-class integrated global solutions, to gain and retain customers, employees and shareholders for the long term by delivering results, to increase organic growth and to drive a successful and sustainable business.



The special addition to the Annual Report 2009 – come and discover the world behind the figures.

SHOWING RESPECT.
DELIVERING RESULTS.

The special addition to the 2009 Annual Report

Deutsche Post DHL

LIVING OUR CONVICTIONS. EXECUTING OUR STRATEGY.

Deutsche Post DHL's goal is clear. We intend to win over our customers again and again every day all over the world, and we will do this by living our convictions: making transparent offers that simplify people's lives; providing easy access to transport services for letters, parcels, goods and information – the things that bind the world together; and managing integrated services and solutions that provide sustainable benefits and help to protect the world's resources. Our workforce – some 500,000 strong in more than 220 countries and territories – live these convictions and are the heart of our many ideas, innovative products and new technologies. By respecting people, the environment and our society, we are delivering results for everyone.

Worldwide

SHOWING RESPECT. DELIVERING RESULTS.

On the following pages we would like to show you just how we live our convictions, by illustrating just what we do for a variety of industries – how we meet the needs of up to one million customers every hour and how we made our company fit for the future.

All our actions are directed towards one goal: to remain “The Postal Service for Germany” and to become “The Logistics Company for the World”. Respect for people’s needs is our guiding principle for delivering results that can benefit everyone.

SHOWING RESPECT

FOR THOSE WHO NEED TO RESPOND FASTER TO CHANGING MARKETS.

Worldwide

CONTRACT LOGISTICS FOR
THE AUTOMOTIVE INDUSTRY

Companies in the automotive industry are under ever increasing pressure to remain competitive at the international level. The keys to making this happen are the efficiency, quality and speed of the supply chain – components need to be manufactured, transported and delivered on time to production facilities. DHL's sustainable supply chain solutions provide these keys. We work closely with our customers in the automotive industry to develop flexible solutions that are tailored precisely to their needs. Customers in turn benefit from our efficiency controls, continuous process improvement and competent project management, which guarantees them high standards of service as well as the ability to respond rapidly to changing market conditions to keep them at the cutting edge.

DELIVERING RESULTS

Our customers receive reliable supply chain solutions that reduce costs, time and complexity, allowing them to concentrate on their core businesses. **Deutsche Post DHL** makes use of its industry expertise and solid customer relationships to deliver integrated, customised services in a global growth market.

1. CUTTING THROUGH THE COMPLEXITY
A door panel with 85 components can have up to 5,000 possible combinations in production so it is absolutely critical to get the right components to the production line at the right time.

2. MAXIMISING RELIABILITY
An assembly line can easily go down because components are missing. This simply cannot be allowed to happen – because every lost minute can cost tens of thousands of euros.

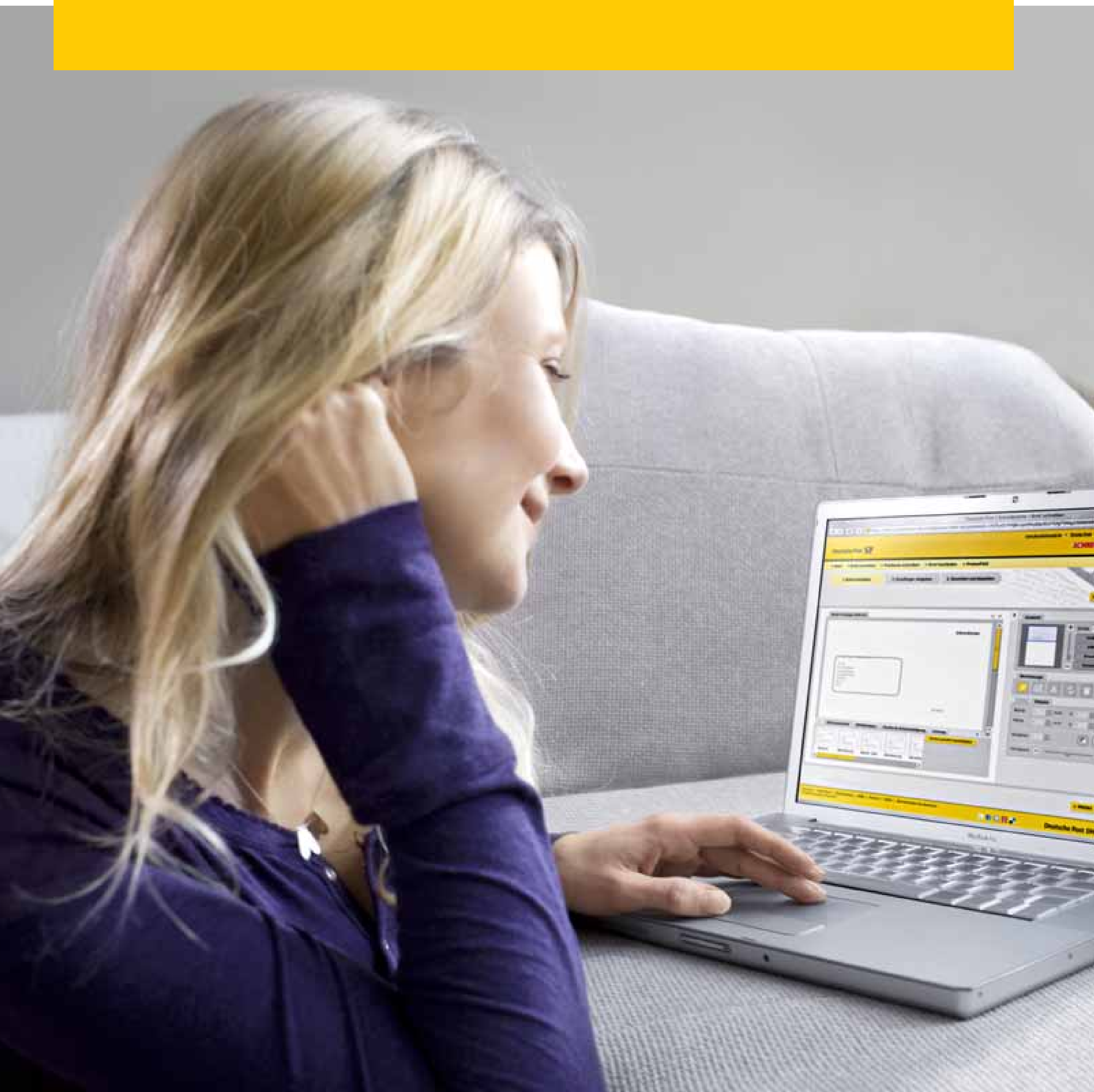
3. UTILISING OUR GLOBAL REACH
As a contract logistics provider DHL operates in more than 60 countries and has the necessary contract logistics experience and expertise in all of them.

SHOWING RESPECT

FOR THOSE WHO WANT THE SPEED OF AN E-MAIL BUT WITH THE SECURITY OF A LETTER.

Germany

EVOLUTION OF A SECURE MEANS OF COMMUNICATION



1. INCREASING SPEED
The letter on the internet combines the security and reliability of the letter with the speed of e-mail.

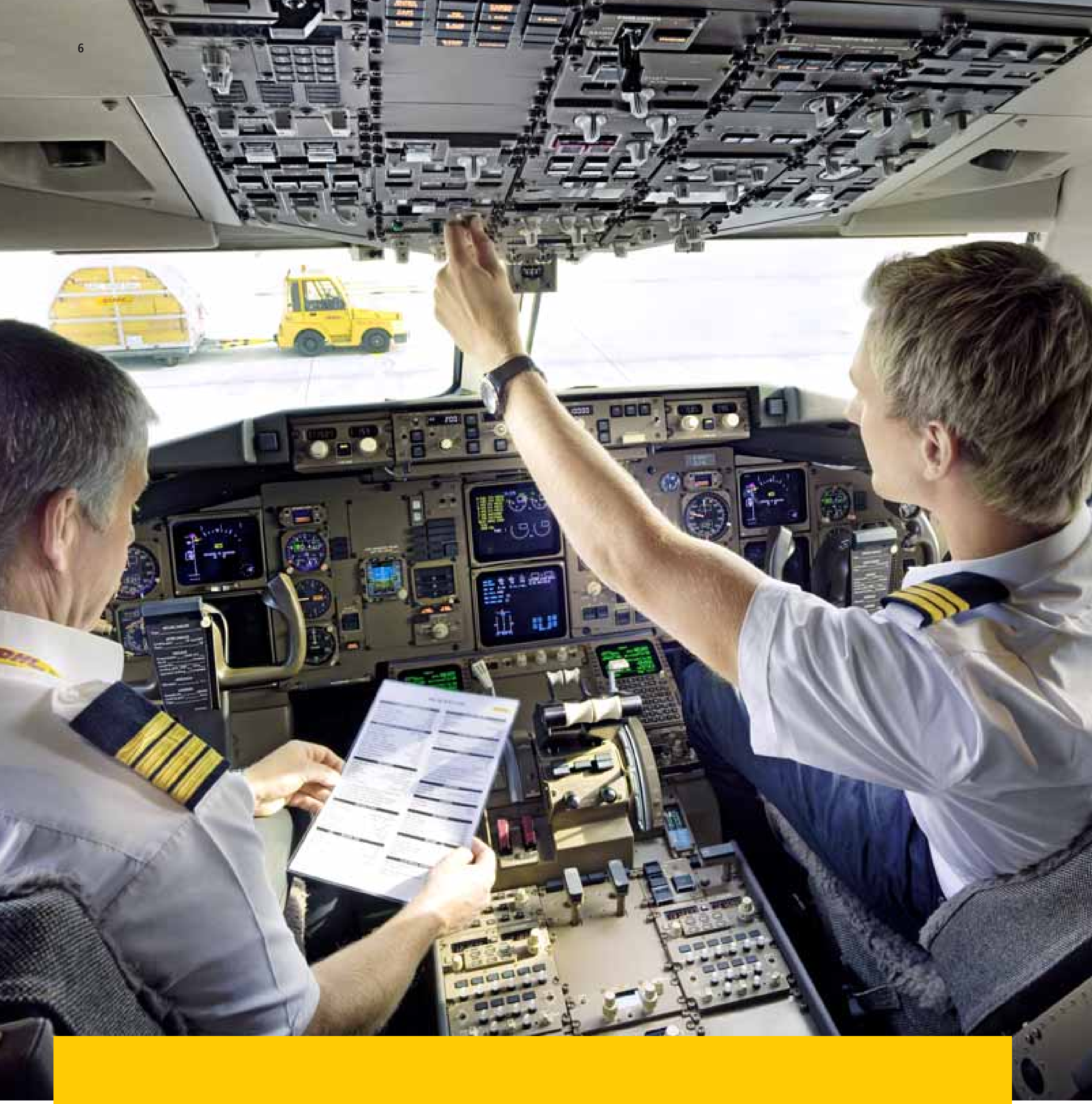
2. SIMPLIFYING PROCESSES
Deutsche Post's digitalisation service transfers high volumes of letter mail rapidly into computer systems.

3. PRINTING EASE
Customer data can also be printed out quickly upon request and delivered by conventional mail or as advertising mail.

Deutsche Post's innovative letter on the internet takes our quality service online. For the first time, both business and private customers can access a fast means of communication with all the advantages of the traditional letter – accountability, confidentiality and reliability – preserving the inviolability of the mail. The communication is binding and even protection against spam is guaranteed. Customers can also have the letter on the internet printed out and delivered through the conventional mail service. There are still many people who would rather have a real letter in their hands and not everyone has access to the internet.

DELIVERING RESULTS

Our customers receive an innovative product that now meets the needs of business and private customers. **Deutsche Post DHL** is positioning itself at the cutting edge of a growth market – breaking new ground in the world of online communication with innovative products.



SHOWING RESPECT

FOR THOSE WHO WANT TO MAKE BIG MOVES AROUND THE WORLD.

Worldwide

MEETING THE MOST COMPLEX TRANSPORT REQUIREMENTS

Transporting a 200-tonne, 25-metre long spectrometer from one place to the next through narrow city streets and bridges is no easy task. For DHL, meeting even the most complex transport requirements is something we do every day. We offer customised logistics solutions around the world for the combined transport of goods by air, land and sea. As a freight forwarder, we broker between customers and freight companies and combine orders so as to reach a volume that allows us to secure cargo space and charter capacity from airlines, shipping companies and freight carriers at competitive prices. DHL taps its own wealth of experience, comprehensive industry expertise, diversified networks and strong local connections to deliver these services.

DELIVERING RESULTS

Our customers receive a global network solution that gets their freight – regardless of what it is – to its destination using the most appropriate means. **Deutsche Post DHL** delivers specialised logistics solutions for the most complex transport requirements – a market most of our competitors find extremely difficult to enter.

1. MINIMISING LOST TIME
When time is of the essence, aircraft are employed to move goods around the globe – a job made for DHL. We are, after all, the world market leader in air freight.

2. BUNDLING KNOW-HOW
International teams solve the most complex transport problems – by land, sea and air.

3. FINDING A WAY
Sometimes the only realistic way is not the shortest one. The only way to ship a spectrometer, for instance, may be a 9,000-kilometre special transport even though the destination is only a 300-kilometre flight away.

SHOWING RESPECT

FOR THOSE WHO NEED TO RELY ON THEIR SHIPMENT ARRIVING TOMORROW.

Worldwide

FIRST-CLASS INTERNATIONAL EXPRESS PARCEL AND DOCUMENT SHIPPING

1. EXPEDITING PICKUP
Monday evening in Dubai: a DHL courier picks up express documents and immediately gets them on their way to Stockholm.

2. 24/7 TRANSPARENCY
Tuesday night: the shipment arrives at DHL's European hub in Leipzig. Track & Trace keeps the customer informed of their item's status.

3. RAPID DELIVERY
One of the most advanced sorting facilities in Europe forwards the item to the aeroplane to Stockholm, where it arrives on time for delivery before 9am on Wednesday.

DHL is the world leader in express shipments. Thanks to the nearly 100,000 specialists and employees who drive our worldwide network with the help of first-class infrastructure, international air hubs and state-of-the-art vehicles and aircraft, parcels are not only shipped fast but also with exceptional reliability. Whether direct, day definite or time definite, this guarantees our customers uniquely effective express services.

DELIVERING RESULTS

Our customers receive express delivery services that are easy to use, convenient, fast and reliable across cultural and national borders. **Deutsche Post DHL** focuses on customer needs to sustain its leadership position in the international express business.

SHOWING RESPECT

FOR THOSE WHO WANT TO HELP PRESERVE THE ENVIRONMENT.

Germany

SUSTAINABILITY
– A KEY MEASURE OF SUCCESS

Our European hub in Leipzig is a prime example of sustainability and economic efficiency working hand in hand. Deutsche Post DHL uses renewable energy produced with state-of-the-art solar units and cogeneration systems to increase energy efficiency in its facilities. We also collect rainwater in underground cisterns and use it, for example, to wash the aircraft. We look at CO_2 emissions as well as service quality to ensure that goods and documents reach their destinations fast and reliably, but also with the lowest possible carbon footprint.

DELIVERING RESULTS

The environment benefits from our climate protection targets aimed at improving our carbon efficiency by 30% over 2007 levels by the year 2020. **Deutsche Post DHL** understands that customers and investors are becoming more and more interested in companies that are sustainable and that openly accept their corporate responsibility.

1. INCREASING INDEPENDENCE
The environmentally friendly energy generated at our hub in Leipzig using combined heat and power and photovoltaic systems covers a large proportion of the facility's energy requirements.

2. REDUCING COSTS AND CARBON FOOTPRINT
We have implemented many measures to reduce our consumption of raw materials and, in turn, costs.

3. INCREASING OUR COMPETITIVE EDGE
Major orders are increasingly going to companies that demonstrate sustainable practices. Carbon neutral shipping – part of our GoGreen climate protection programme – gives us a real competitive edge.

ACCEPTING CHALLENGES. LIVING RESPONSIBILITY.

Since we operate all over the world, we bear a special responsibility to use our knowledge and experience for the betterment of society and to limit any negative impact our business may have on the environment. Living Responsibility embodies our efforts in the areas of environmental protection, disaster relief and education. We bundle many initiatives in our GoGreen, GoHelp and GoTeach programmes, which are underpinned by the dedication, skills and enthusiasm of our some 500,000-strong workforce. We want to help shape our future and make the world of tomorrow a better place to live in.

@ More information is available at www.dp-dhl.com/en/responsibility.html

GoGreen

SHOWING RESPECT
We are the first globally operating company in our industry to have set a measurable climate protection target. By 2020, we want to improve our carbon efficiency by 30% over 2007 levels.

DELIVERING RESULTS
Through efficient transport, optimised planning and the use of alternative energy sources and innovative technologies, we intend to reach our interim goal of a 10% improvement in our carbon efficiency by 2012.

GoHelp

SHOWING RESPECT
We want to help improve the living conditions of people. Our GoHelp initiative is intended to do just that. In co-operation with strong partners such as the United Nations, we provide logistics support that makes a difference in the aftermath of natural disasters and we organise training programmes in disaster-prone regions to help the people there prepare for emergencies.

DELIVERING RESULTS
After the catastrophic earthquake in Haiti, our global network of disaster response teams was quickly on the ground at the region's airports, where we were able to provide rapid and effective assistance, receive incoming aid, temporarily store it and quickly ready it for further transport.

LIVING RESPONSIBILITY

GoTeach

SHOWING RESPECT
GoTeach embodies our efforts to improve education – the foundation that society needs in order to move forward. We promote and breathe life into initiatives that help people advance themselves and broaden their skills.

DELIVERING RESULTS
We have made a commitment to helping young people – both whilst they are still in school and during their transition into professional life. For example, we are the founding partner of Teach First Deutschland. We have also introduced the job-market entrance qualification programme for young people who are unable to find a vocational training position and we support the international business@school competition.

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Deutsche Post DHL

Dr Frank Appel, Chief Executive Officer

1 March 2010
Financial year 2009

Dear Shareholders,

Dr Frank Appel

Chief Executive Officer
Deutsche Post AG

Deutsche Post DHL

1 March 2010
Financial year 2009

Dear Shareholders,

2009 was without a doubt a tough year for your company. The global economic crisis has not left Deutsche Post DHL unscathed. Yet we have performed exceptionally well given these circumstances and have shown how strong our organisation is.

Consolidated revenue fell year-on-year, primarily because transport volumes in all divisions were significantly down on prior-year levels. The fact that we were able to maximise cost savings helped us cope with these circumstances. Our IndEx programme resulted in indirect cost savings of over €1.1 billion in 2009 – even more and faster than we anticipated.

Our successful cost management allowed us to cushion the decrease in EBIT before non-recurring items and at €1.47 billion even exceed the forecast, which we increased during the course of the year. I find this result quite remarkable in the middle of a economic crisis and considering that our business was also impacted by several extraordinary effects. Instead of a consolidated loss, as we recorded in 2008, we generated a profit of €644 million in 2009.

We restructured our express business and reduced or eliminated the sources of our losses there. The restructuring process in the United States was a success. In the fourth quarter, we achieved our goal of reducing the annualised loss there as planned.

I would like to express my sincere thanks to our approximately 500,000 employees for their enormous effort in these extremely challenging times. And I thank you, our shareholders, for your trust in me and my colleagues on the Board of Management. After a difficult year, we wish to reward your confidence with a stable dividend of €0.60 per share.

We used the crisis as a catalyst to become more efficient and more effective. In our mail business, for instance, we have tested procedures for enabling us to respond to fluctuating volumes more flexibly without sacrificing quality. In air and ocean freight, we have secured our capacities on the most important trade lanes between Asia and Europe. Furthermore, our contract logistics business won a renowned customer in British Airways in one of our key strategic industry sectors.

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The Mail & Logistics Group

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We have largely taken care of legacy issues – and we have done our homework. We have also strengthened our financial stability with the proceeds from the sale of Postbank. All in all I see we have successfully navigated the crisis and achieved the goals we set for ourselves in 2009.

Moreover, we launched Strategy 2015 and with it laid the foundation for future growth. This strategy has already become part of how we do business. Two examples illustrate this: first, Deutsche Post will introduce its letter on the internet to the market this summer, an innovation that integrates the physical letter – with all of its features such as reliability and confidentiality – into the world of electronic communication. Second, DHL now has its own team to pull together all the ideas from DHL's divisions and look for ways our customers can benefit from them. As the industry leader, we understand the trends and know what our future depends on: offering our customers innovative and sustainable products that simplify their lives.

The global economic crisis is not yet our wake, but the signs that the worst is over are steadily increasing. Global trade has been on a recovery course since the second half of 2009, with the trend actually increasing slightly in the first two months of the new year. For us this means that we will move ahead as planned this year and sustainably improve the Group's profitability through innovative products, high service levels and customer-orientated solutions.

Our new financial strategy is based on reliability and stability. This also applies to future payouts. We will increase our investments cautiously to €1.4 billion and use them for organic growth in both pillars of our Group. Earnings are likely to increase this year. We expect full-year consolidated EBIT before non-recurring items to reach €1.6 billion to €1.9 billion in 2010. For the first time both pillars of our business will contribute nearly equally to these results – an indication of the strength of our two-pillar strategy.

We want to remain *Die Post für Deutschland* (The Postal Service for Germany) and become The Logistics Company for the World. We are setting the bar high and our guiding principle, Respect and Results, reflects this. We will only achieve the results we need to be successful in the long term if we treat our shareholders, customers and employees as well as society and the environment with respect. Of that I am entirely convinced.

Yours faithfully,

GROUP MANAGEMENT REPORT

A

LIVING RESPONSIBILITY

Since we operate all over the world, we bear a special responsibility to use our knowledge and experience for the betterment of society and to limit any negative impact our business may have on the environment. Living Responsibility embodies our efforts in the areas of environmental protection, disaster relief and education. We bundle many initiatives in our GoGreen, GoHelp and GoTeach programmes, which are underpinned by the dedication, skills and enthusiasm of our some 500,000 strong workforce. We want to help shape our future and make the world of tomorrow a better place to live in.

LIVING RESPONSIBILITY

GoGreen: Minimising the impact our business may have on the environment by using resources responsibly.

GoHelp: Help for people affected by natural disasters.

GoTeach: Commitment to more education and better educational opportunities – the foundation that society needs to move forward.

More information is available at www.dp-dhl.com/en/responsibility.html

BUSINESS AND ENVIRONMENT

BUSINESS ACTIVITIES AND ORGANISATION

The leading mail and logistics group

Deutsche Post DHL maintains a global network that offers our customers everything they need for transporting and processing goods and information, from standard products to customised solutions. We place great value on service, quality and sustainability, and we accept our social responsibility through our programmes for climate protection, disaster relief and education.

Our MAIL division is the only provider of universal postal services in Germany. We deliver mail and parcels throughout Germany and internationally, and we are specialists in dialogue marketing, nationwide press distribution services and electronic services.

Glossary, page 224

Our EXPRESS division offers courier and express services to business and private customers, taking advantage of a network comprising more than 220 countries and territories.

Our GLOBAL FORWARDING, FREIGHT division handles the carriage of goods by rail, road, air and sea. We are the world's number one air and ocean freight operator and one of the leading overland freight forwarders in Europe.

Our SUPPLY CHAIN division is the global market leader in contract logistics, providing warehousing, managed transport and value-added services at every link in the supply chain for customers in a variety of industries. We also offer end-to-end solutions for companies which outsource document management.

In Global Business Services, we have centralised the internal services which support the entire Group, for example Finance Services, IT and Procurement. This allows us to make efficient use of our resources whilst reacting flexibly to the rapidly changing demands of our business.

Four operating divisions

The Group is organised into four operating divisions, each of which operates under the control of its own divisional headquarters. Each division is subdivided into business units for reporting purposes. The Group management functions are performed by the Corporate Center.

A.01 Organisational structure of Deutsche Post DHL

Corporate Center (CEO's board department, Finance and Personnel)

MAIL	EXPRESS	GLOBAL FORWARDING, FREIGHT	SUPPLY CHAIN
• Mail Communication • Dialogue Marketing • Press Services • Parcel Germany • Retail Outlets • Global Mail • Pension Service	• Europe • Americas • Asia Pacific • EEMEA (Eastern Europe, the Middle East and Africa)	• Global Forwarding • Freight	• Supply Chain • Williams Lea

Global Business Services

A new strategy and a new name

As part of our new strategy, we changed the name of the Group to Deutsche Post DHL in the first quarter of 2009, reflecting the two pillars upon which we have based our goal, which is to remain *Die Post für Deutschland* (The Postal Service for Germany) and to become The Logistics Company for the World. We thus build new transparency, clear structures and integrated customer solutions.

In this context we also revamped our brand architecture, changing the name of the SUPPLY CHAIN/CORPORATE INFORMATION SOLUTIONS division to the SUPPLY CHAIN division, which houses the Supply Chain and Williams Lea business units.

Glossary, page 224

Furthermore, we established a new business department, DHL Solutions & Innovations, and assigned responsibility for human resources to the respective pillars, Deutsche Post and DHL.

A.02 Group structure from different perspectives

Corporate governance structure	Management responsibility	Legal structure	Brand names
According to corporate governance duties and responsibilities (boards and committees) • Corporate Center • Corporate Divisions • Global Business Services	According to decision-making responsibility and reporting lines • Board departments • Corporate departments • Business departments • Service departments • Regions • Departments	Based on the Group's legal entities • Deutsche Post AG • Group companies	According to the brand names used in customer communication • Deutsche Post • DHL

New Board members for EXPRESS and Finance

On 26 February 2009, Ken Allen replaced John Mullen as the head of the EXPRESS division.

Effective 1 September 2009, responsibility for Finance, Global Business Services was assumed by Lawrence Rosen, who succeeded John Allan after he left on 30 June 2009. Frank Appel acted as interim head of the board department during the transitional period.

Adjustment to operating business organisation

As announced, we withdrew from the domestic US express business at the start of 2009 and streamlined our regional organisational structure accordingly. Our US organisation for the GLOBAL FORWARDING, FREIGHT division was likewise restructured, with North America and Latin America being merged into the Americas region.

As part of the restructuring of the EXPRESS division, in the fourth quarter of 2009 we announced our intention to relocate our central functions for the Europe region from Brussels to Bonn, Leipzig and Prague in order to house them with the region's other functions. This will permit us to use our resources more effectively and to work together more closely. The relocation will not affect the national organisation in Belgium or operations at the Brussels hub or the gateways.

Glossary, page 224

In the MAIL division, we reorganised our sales organisation in the fourth quarter, allowing us to simplify processes and structures, reduce costs, and respond to customer needs with greater flexibility.

DISCLOSURES REQUIRED BY TAKEOVER LAW

Disclosures required under Sections 289 (4) and 315 (4) of the *Handelsgesetzbuch* (HGB – German commercial code) and explanatory report.

Composition of issued capital, voting rights and transfer of shares

As at 31 December 2009, the company's share capital totalled €1,209,015,874 and was composed of the same number of no-par value registered shares. Each share carries the same statutory rights and obligations and entitles the holder to one vote at the Annual General Meeting (AGM). No individual shareholder or group of shareholders is entitled to special rights, particularly rights granting powers of control.

The exercise of voting rights and the transfer of shares are based on the general legal requirements and the company's Articles of Association, which do not restrict either of these activities. Article 19 of the Articles of Association sets out the requirements that must be met in order to attend the AGM as a shareholder and exercise a voting right. Only persons entered in the share register shall be considered by the company to be shareholders. The Board of Management is not aware of any agreements between shareholders which would limit voting rights or the transfer of shares.

Shareholdings exceeding 10% of voting rights

KfW Bankengruppe (KfW), Frankfurt am Main, are our largest shareholder, holding around 30.5% of the share capital. The Federal Republic of Germany holds an indirect stake in Deutsche Post AG via KfW. According to the notifications we have received pursuant to Sections 21 ff. of the *Wertpapierhandelsgesetz* (WpHG – German securities trading act), KfW and the German government are the only shareholders who own more than 10% of the share capital, either directly or indirectly.

Appointment and replacement of members of the Board of Management

The members of the Board of Management are appointed and replaced in accordance with the relevant legal provisions (Sections 84 and 85 of the *Aktiengesetz* (AktG – German stock corporation act), Section 31 of the *Mitbestimmungsgesetz* (MitbestG – German co-determination act)). In accordance with Section 84 of the AktG and Section 31 of the MitbestG, appointments by the Supervisory Board shall be for a maximum term of five years. Re-appointment or extension of the term of office, for a maximum of five years in each case, is permitted. Article 6 of the Articles of Association stipulates that the Board of Management must have at least two members. Beyond that, the number of Board members is determined by the Supervisory Board, which may also appoint a chairman and deputy chairman of the Board of Management. Details of changes on the Board of Management during the year under review are reported in Business activities and organisation.

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Amendments to the Articles of Association

In accordance with Section 119 (1), Number 5 and Section 179 (1), Sentence 1 of the AktG, amendments to the Articles of Association are adopted by resolution of the AGM. In accordance with Article 21 (2) of the Articles of Association in conjunction with Sections 179 (2) and 133 of the AktG, such amendments generally require a simple majority of the votes cast and a simple majority of the share capital represented. In such instances where a greater majority is required by law for amendments to the Articles of Association, that majority is decisive.

Under Article 14 (7) of the Articles of Association, the Supervisory Board has the authority to resolve amendments to the Articles of Association in cases where the amendments affect only the wording. In addition, the AGM resolutions passed on 8 May 2007 (Contingent Capital III) and 21 April 2009 (Authorised Capital 2009) authorised the Supervisory Board to amend the wording of the Articles of Association to reflect the respective share issue or the use of authorised capital as well as following the expiry of the respective authorisation period.

Board of Management authorisation, particularly regarding issue and buy-back of shares

The Board of Management is authorised, subject to the approval of the Supervisory Board, to issue up to 240 million new, no-par value registered shares by or before 20 April 2014 in exchange for cash and/or non-cash contributions and thereby increase the company's share capital by up to €240 million (Authorised Capital 2009, Article 5 (2) of the Articles of Association). To date, the Board of Management has not made use of this authorisation.

When new shares are issued from Authorised Capital 2009, the shareholders are entitled in principle to pre-emptive subscription rights. Such rights may only be disapplied subject to the requirements specified in Article 5 (2) of the Articles of Association and subject to the consent of the Supervisory Board. Details may be found in Article 5 (2) of the Articles of Association of the company.

The Authorised Capital 2009 is a financing and acquisition instrument in accordance with international standards that allows the company to increase equity quickly, flexibly and cost-effectively. The authorised capital is equivalent to less than 20% of the share capital.

An AGM resolution was passed on 8 May 2007 authorising the Board of Management, subject to the consent of the Supervisory Board, to issue bonds with warrants, convertible bonds and/or income bonds (hereinafter referred to collectively as "bonds with warrants and/or convertible bonds"), or a combination thereof, in an aggregate principal amount of up to €1 billion, on one or more occasions, by or before 7 May 2012, thereby granting option and/or conversion rights for new shares in an amount not to exceed €56 million of the share capital. To this end, the share capital is contingently increased by up to €56 million (Contingent Capital III, Article 5 (3) of the Articles of Association). When issuing bonds with warrants and/or convertible bonds, shareholder subscription rights may only be disapplied subject to the terms of the aforementioned resolution and pending the consent of the Supervisory Board. Further details may be found in the motion adopted by the AGM under agenda item 7 of the AGM of 8 May 2007.

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Authorisation to issue bonds with warrants and/or convertible bonds is standard business practice amongst publicly listed companies. It allows the company to finance its activities flexibly and promptly, and gives it the financial leeway to take advantage of favourable market situations at short notice, for example, by offering company shares or bonds with warrants/convertible bonds as a consideration within the context of company mergers, and when acquiring companies or shareholdings in companies. To date, the Board of Management has not made use of this authorisation.

Finally, the AGM of 21 April 2009 authorised the company to buy back shares up to an amount not to exceed 10% of the share capital existing as of that date, by or before

30 September 2010. This authorisation is subject to the proviso that at no time should the shares acquired in this way, together with the shares already held by the company, account for more than 10% of the share capital. The shares may be purchased through the stock market, a public offer, a public call for offers of sale from the company's shareholders or by some other means in accordance with Section 53a of the AktG. The authorisation permits the Board of Management to exercise it for every purpose authorised by law, particularly to redeem the purchased own shares without a further AGM resolution, subject to the consent of the Supervisory Board. Details may be found in the motion adopted by the AGM under agenda item 6 of the AGM of 21 April 2009.

dp-dhl.com/en/investors.html

To supplement this authorisation, on 21 April 2009 the AGM also authorised the Board of Management – within the scope resolved by the AGM of 21 April 2009 in agenda item 6 – to acquire own shares either by servicing options that, upon their exercise, require the company to acquire own shares (put options) or by exercising options that, upon their exercise, grant the company the right to acquire own shares (call options) and to acquire own shares using a combination of put and call options. All share acquisitions using put options, call options or a combination of the two are limited to a maximum of 5% of the share capital existing on the date of the resolution. The term of the options must expire by no later than 30 September 2010 and be selected such that the acquisition of own shares by exercising the options cannot occur after 30 September 2010. Details may be found in the motion adopted by the AGM under agenda item 7 of the AGM of 21 April 2009.

It is standard business practice amongst publicly listed companies in Germany for the AGM to authorise the company to buy back shares. The authorisation to repurchase shares using derivatives is merely intended to supplement share buyback as a tool and give the company the opportunity to structure the share repurchase in an optimum manner. On 28 April 2010, the Board of Management and the Supervisory Board will propose to the AGM that both authorisations be granted for a further year.

Any public offer to acquire shares in the company is governed solely by law and the Articles of Association, including the provisions of the *Wertpapiererwerbs- und Übernahmegesetz* (WpÜG – German securities acquisition and takeover act). The AGM has not authorised the Board of Management to undertake actions within its sphere of competence to block possible takeover bids.

Significant agreements that are conditional upon a change of control following a takeover bid and agreements with members of the Board of Management or employees providing for compensation in the event of a change of control

If a takeover occurs, Board of Management members Ken Allen, Bruce Edwards, Lawrence Rosen and Hermann Ude are each entitled to resign their office as a member of the Board of Management for good cause within a period of six months following the change in control after giving three months' notice to the end of the month and to terminate their Board of Management contracts (right to early termination). In the event of the right to early termination being exercised or a Board of Management contract being terminated by mutual consent under the same conditions, the Board of Management member is entitled to payment to compensate the remaining term of his Board of Management contract. Such payment is limited to the cap pursuant to the recommendation of Number 4.2.3 of the German Corporate Governance Code as amended on 18 June 2009. The agreements are outlined in the Remuneration Report.

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REMUNERATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

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The basic features of the remuneration system for the Board of Management and the Supervisory Board are described in the Corporate Governance Report under Remuneration Report. The latter also forms part of the Group Management Report.

ECONOMIC PARAMETERS

Global economy in crisis

At the start of 2009, the global economy found itself in its deepest recession in decades. The financial market crisis led companies to scale back investment substantially, whilst industrial production dropped more drastically than ever before. International trade suffered the most, however. To stabilise the economy, many countries launched comprehensive economic incentive programmes. These initiatives took effect over the course of the year and the world economy and global trade slowly recovered. Nevertheless, global economic output shrank by 0.8% in 2009 after having seen growth of 3% in 2008. The international exchange of goods actually dropped by just over 12% (IMF: –12.3%, OECD: –12.5%).

A.03 Global economy: growth indicators for 2009

%	Gross domestic product	Exports	Domestic demand
USA	–2.4	–9.9	–3.4
Japan	–5.1	–24.2	–3.2
China	8.7	–16.0	n/a
Euro zone	–4.0	–13.3	–2.9[1]
Germany	–5.0	–14.7	–1.8

1) Based on estimates by Postbank Research.

Source: National statistics, as at 19 February 2010.

The United States experienced its biggest economic collapse in 60 years. Gross fixed capital formation fell by 18.4%, and exports and imports also saw massive declines. Private consumption, the main economic prop in the United States, fell below the prior-year level. Although the economy began recovering in the second half of the year, gross domestic product (GDP) still decreased by 2.4%.

Asia was also affected by the crisis. However, the region recovered much more quickly than others. The continent's emerging economies registered growth of 6.5% in 2009, keeping Asia at the forefront of the world economy, even though growth rates were significantly lower in some cases than in the preceding eight years. Leading the way was China, whose domestic economy received a boost from a massive infrastructure programme. GDP growth therefore fell only moderately to 8.7% (previous year: 9.6%) despite the 16% drop in exports. China's trade surplus decreased significantly from US$298 billion to US$196 billion. Direct investments were at a high level, totalling approximately US$90 billion.

Japan, whose economy is highly export dependent, was hit particularly hard by the collapse in international trade. Exports fell by nearly a quarter and GDP by more than 5%.

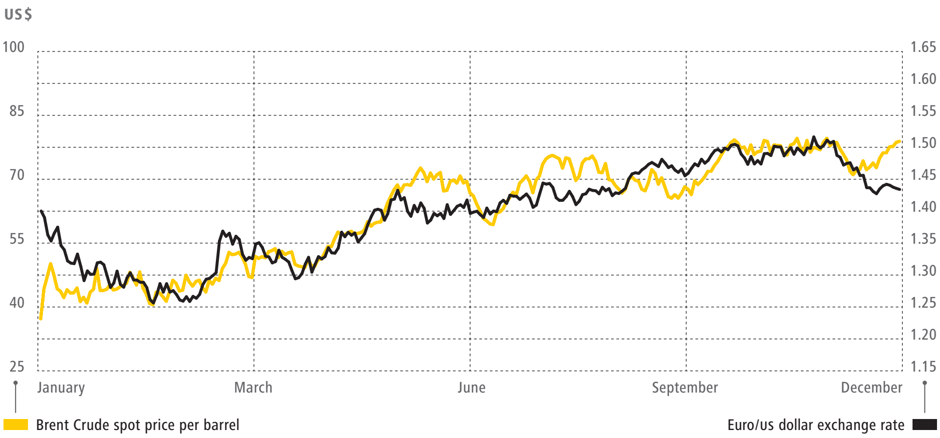
At the start of 2009, the euro zone was also heavily affected by the crisis. Exports collapsed and investment dropped dramatically. Unemployment rose sharply, with private consumption falling accordingly. Thanks to government economic stimulus plans, the economy began gaining a foothold in the spring with a slow recovery setting in during the second half of the year. However, this was not nearly sufficient to offset the collapse at the beginning of the year. As a result, GDP fell by 4.0% in the reporting year (previous year: +0.6%).

At the start of the year, Germany was more heavily affected by the collapse in international demand. Exports decreased by 14.7%, and investments in machinery and equipment dropped a full 20%. GDP therefore shrank by 5.0% (previous year: +1.3%). Private consumption held at nearly the prior-year level, however, thanks in part to the government's environmental rebate for trading in used cars *(Abwrackprämie)*.

Oil prices again on the rise

The average Brent Crude oil price was US$62 per barrel (159 litres) in 2009, a drop of around 36% from the prior-year level. In the face of the crisis at the start of the year, the price fell to approximately US$40 per barrel – its lowest level for several years. However, by mid-year oil prices were back up to US$70 due to OPEC production cuts and improved economic indicators. By year-end the price had reached nearly US$80 a barrel.

A.04 Brent Crude spot price and euro/US dollar exchange rate, 2009



Euro up sharply

Central banks reacted to the economic crisis with an expansive monetary policy. The US Federal Reserve kept its key interest rate at an extremely low level, 0% to 0.25%, throughout the entire year. By May, the European Central Bank had lowered its key interest rate from 2.5% at the start of the year to 1%, where it remained until the end of the year. Interest rate policy had no major impact on the performance of the euro against the US dollar, however. At the beginning of 2009, the euro fell sharply against the dollar, dropping from US$1.40 to US$1.25 as demand for the US currency rose as a result of its reputation as a safe haven. As optimism regarding economic recovery increased, this argument lost force and the euro rose nearly 3% to US$1.43 by year-end. Measured against pound sterling, however, the euro posted a loss of just over 7%.

Corporate bonds recover

Fear of a sustained economic crisis led to capital market interest rates hitting a low around the end of 2008/beginning of 2009. Over the course of the year, however, investors became more willing to take risks. Capital market interest rates rose, although they remained at a low level. At the end of the year, 10-year German treasury bonds were yielding 3.39%, 0.44 percentage points higher than at the end of 2008. In the same period, the return on 10-year US treasury bonds increased by 1.62 percentage points to 3.84%. Corporate bonds also benefited from the economic recovery over the course of the year. The risk premiums were in some cases below those seen prior to September 2008 when the financial market crisis escalated.

International trade declines sharply in crisis year

International trade is closely linked to the global economy, which is why it also took a sharp turn for the worse in 2009. The downturn was particularly noticeable in European and American imports. By contrast, the Asia Pacific region, which makes up more than two-thirds of all international trade, did not suffer as greatly from the financial crisis.

Global trade volumes fell approximately 7%. There have been recent indications that trade could see moderate growth in 2010, however. Asia is expected to remain a global growth engine and continue to play a key role in this growth in the future.

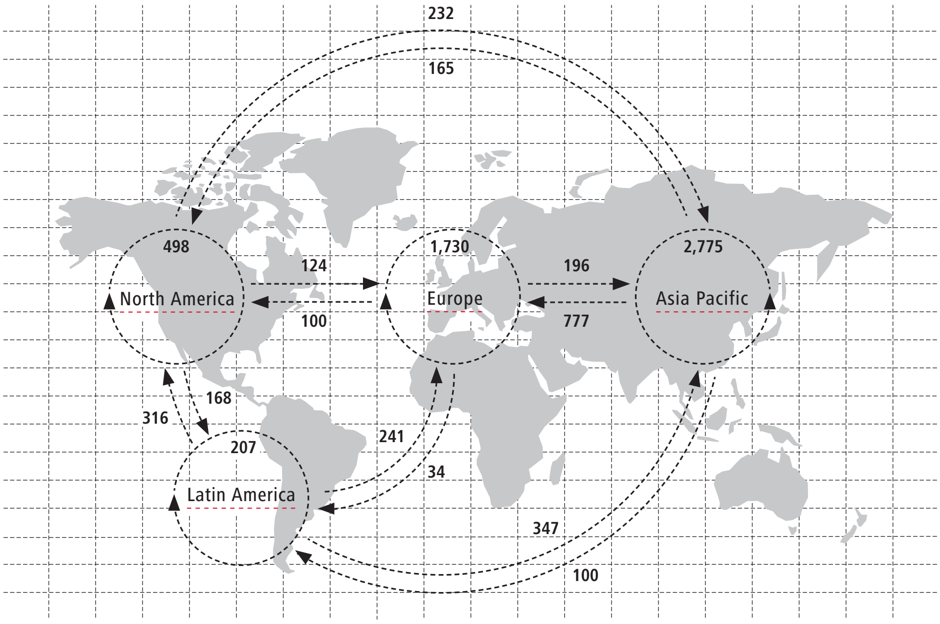
A.05 Trade volumes: compound annual growth rate 2008–2009

% Exports \ Imports	Africa	Asia Pacific	Europe	Latin America	Middle East	North America
Africa	2.1	3.2	–10.9	–11.5	–4.2	–5.7
Asia Pacific	2.0	–2.1	–12.6	–8.7	–6.2	–14.6
Europe	0.2	–6.5	–10.8	–11.9	–8.9	–11.0
Latin America	2.3	5.1	–10.0	–6.6	–1.8	–12.7
Middle East	3.2	–6.2	–10.9	–11.8	–5.8	–6.6
North America	–8.3	–6.5	–17.6	–11.3	–12.4	–11.9

Source: IHS Global Insight, Global Trade Navigator, as at 15 January 2010.

A.06 Major trade flows: volumes 2009[1)]

Tonnes (millions)



1) In contrast to the 2008 Annual Report, volumes are presented excluding any effects related to pricing.
Source: IHS Global Insight, Global Trade Navigator, as at 15 January 2010.

Our markets

We are represented in more than 220 countries and territories, including all major economic regions. The following is an overview of the overall market as well as of the markets relevant to us. The regions shown reflect our business structure. The relevant parameters and our market shares are detailed in the Divisions chapter.

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A.07 Market volumes

Global	Europe	USA	Asia
• International mail market (outbound, 2009): €7 bn[1)]	• German mail market (2009): €6.3 bn[1)]	• Domestic mail market (2009): €43.2 bn[7)]	• International express market (2008): €5.5 bn[9)]
• Air freight (2008): €19.0 m tonnes[2)]	• Dialogue marketing, Germany (2009): €19.3 bn[1)]	• International express market (2008): €1.6 bn[8)]	
• Ocean freight (2008): €31.7 m TEU[3)]	• International express market (2008): €14.0 bn[5)]		
• Contract logistics (2008): €147 bn[4)]	• Road transport (2008): €169.4 bn[6)]		

1) Company estimates. 2) Data based solely on export freight tonnes; source: Global Insight, Global Trade Navigator, annual reports, press releases and company estimates. 3) Twenty-foot equivalent units; estimated part of overall market controlled by forwarders; source: Global Insight, Global Trade Navigator, annual reports, press releases and company estimates. 4) Source: Transport Intelligence. These figures cannot be compared with those of the previous years because the institute compiling the data and the compiling method have changed. 5) Includes express products Time Definite International and Day Definite International; country base: AT, BE, CH, CZ, DK, ES, FR, GE, IT, NL, NO, PL, SE, UK; source: MRSC. 6) Country base: total for 20 European countries, excluding bulk and specialties transport; source: 2008 and 2009 MRSC market analyses, Eurostat 2008, annual reports, press releases, company websites, estimates and analyst reports. 7) These figures cannot be compared with those of the previous years because the compiling method has changed; source: USPS product revenue, 2009. 8) Includes express products Time Definite International and Day Definite International; country base: CA, MX, BR, CO, AR, VE, PA, CL, PE, BO, UY, PY, DO, JM; source: MRSC, annual reports from UPS, TNT, FedEx, press releases, company websites, estimates and analyst reports. 9) Country base: AU, CN, HK, ID, IN, JP, KR, NZ, MY, PH, SG, TH, TW, VN; source: MRSC study from 2007, annual reports, press releases, company websites, estimates and analyst reports.

Factors affecting our business

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During the year under review we presented our new corporate strategy – Strategy 2015. To develop this strategy, we re-examined the main factors affecting our business. Although the corporate and economic environment has changed radically, we continue to believe that there are four trends that have a substantial impact on our business:

1. **Globalisation** The elimination of trade and customs barriers is enabling companies to develop new markets and move activities to locations that offer competitive advantages. As a result, international trade is growing along with demand for transport and logistics services. Against this backdrop, growth in the logistics industry will continue to outpace the growth of national economies. However, we expect that low-value, labour-intensive products will increasingly be produced in countries that are geographically close and have comparatively low wage levels. Also, for less time-critical shipments, demand for more fuel-efficient transport is expected to rise. Since we are well positioned in the traditionally low-wage countries of Eastern Europe and Latin America and our range of services covers all means of transport, we will benefit from this trend.
2. **Outsourcing** In times of economic difficulty, pressure on companies to reduce costs and streamline business processes increases. Activities that are not considered part of the core business are being outsourced to a greater extent. In addition, supply chains are becoming more complex and are being placed increasingly on an international footing. Accordingly, more and more customers are demanding integrated solutions that provide a comprehensive range of services. As a global, integrated logistics service provider, we also benefit from this trend.
3. **Digitalisation** The internet has changed the way in which information is exchanged. Physical communication channels are being replaced increasingly by electronic communication, which is leading to a decline in volumes and revenues in the traditional mail business in particular. On the other hand, the internet brings dealers and customers closer together and creates new demand for transport of goods, advertising materials and contract documentation. Again, this is a development that benefits us. Demand for binding, confidential and reliable electronic communication is growing on the virtual market.
4. **Climate change** Awareness of the environment and climate is increasing. Climate-neutral products are seeing growing demand. Furthermore, legislation is being passed to force companies to reduce their carbon dioxide emissions permanently. For us, a global leader in the logistics industry, it goes without saying that we will contribute to environmental protection. We offer our customers energy-saving transport options and climate-neutral products, and we have set an ambitious climate protection goal for ourselves.

Legal environment

In view of our leading market position, a large number of our services are subject to sector-specific regulation under the German postal act. Further information on this issue and legal risk is contained in the Notes to the consolidated financial statements.

Note 53

CORPORATE STRATEGY

Outstanding competitive position

Deutsche Post DHL has done an outstanding job asserting itself in the marketplace in recent years. We are the market leader in the German mail business and the world leader in nearly all of our logistics activities, a position that offers us long-term growth prospects. We have built up a strong global presence, and there is hardly a company in our industry that can match the broad spectrum of products and services we are able to offer our customers. In the past we strengthened our competitive position through acquisitions; for the last three years we have done so primarily through organic growth.

Strategic focus sharpened during the crisis

The global recession affected the entire logistics sector along with many of our customers in 2009. However, we did not remain passive. Our Group took advantage of the past two years to answer key strategic questions.

For our former subsidiary, Deutsche Postbank AG, we found a reliable partner for the future in Deutsche Bank. We will now focus on our core competencies in our mail and logistics businesses.

We restructured our US express business in order to reduce our losses there and mitigate risk for the Group. In this market, we will also be concentrating on our core competencies: shipments to and from the US.

In addition to these two key strategic decisions, we successfully implemented an extensive cost reduction programme, thus laying the foundation for our company to emerge from the current global crisis stronger than before and to achieve sustainable and profitable growth.

Unlocking our full potential

Our Strategy 2015 is intended to help us to unlock our full potential. We want to become the preferred supplier for our customers, an attractive investment for our shareholders and a top employer for our staff.

Expressed in figures, we are aiming for growth in our operating divisions that exceeds the annual growth of their respective markets by one to two percentage points.

Our two pillars: mail and logistics

We want to maintain our position as *Die Post für Deutschland* (The Postal Service for Germany). At the same time we intend to become The Logistics Company for the World by making use of the global strength of our logistics business.

Our new Group name, Deutsche Post DHL, underscores the significance of these two pillars of our business. The Deutsche Post brand stands for a company that sets global standards in quality, technology and efficiency and has already proven itself able to very successfully meet the challenges inherent in this mature market. In the MAIL division, our goal is to continue operating highly profitably and to enhance our range of services by adding more communications products.

The DHL brand stands for a comprehensive product portfolio and worldwide logistics presence. Our EXPRESS, GLOBAL FORWARDING, FREIGHT, and SUPPLY CHAIN divisions operate in attractive market segments. Our goal is to continue taking advantage of the excellent growth opportunities in the logistics industry and to unlock the full potential of our enterprise.

Our guiding principle: Respect and Results

The corporate culture of a company is vital in determining its ability to perform at a high level. Our guiding principle of Respect and Results has evolved from the daily challenge of achieving first-class results whilst adhering to our sense of responsibility for the needs of our employees and customers. We show respect towards our shareholders by making our challenges public and clearly stating how we intend to face them. We are well aware of the effect our corporate activities have on society. Therefore, we also act respectfully towards everyone with whom we interact and the environment in which we live.

Simplifying the lives of our customers

Our customer promise is a key component of our corporate strategy. We want to offer our customers services that make their lives easier and that have sustained value. To meet this standard, we have established a number of Group-wide initiatives. Our First Choice programme, for instance, remains of central importance. First Choice means improving our customer focus in all areas and aligning our processes accordingly.

Moreover, to distance ourselves from the competition we want to become or remain the innovative leader in the logistics industry and the market leader in selected sectors. We plan to achieve this with our new DHL Solutions & Innovations (DSI) unit and through Sector Management. DSI pools the innovative activities within DHL with an eye on developing ground-breaking solutions using existing sector expertise. Sector Management is our chosen method of institutionalising the cross-divisional exchange of expertise within DHL. This results in new products, services and solutions that are better equipped to meet customer requirements in certain sectors.

Making a contribution to our environment

Corporate responsibility, page 76

As the largest company in our industry, we take our environmental and social responsibility seriously. Our sustainability strategy focuses on three areas. The Group's GoGreen programme was developed to establish a systematic approach to achieving our climate protection target. Our GoHelp focus area centres on people in need. Here we apply our expertise towards improving the living conditions of people in disaster areas. The third expression of our commitment to society is education. We have created the GoTeach project to define a concept for this endeavour and to establish a corresponding strategy.

GROUP MANAGEMENT

EBIT after asset charge as additional control parameter

In 2008, Deutsche Post DHL introduced a new performance metric, which it uses to assess the degree of target achievement. In the year under review, EBIT after asset charge (EAC) was used as an additional key control parameter together with profit from operating activities (EBIT).

We aim for sustained value growth in all areas of our operating business. To this end, we carefully control not only targeted profits but also the use of resources necessary to meet this goal. Executives are now expected to place greater emphasis on the asset charge that their operating business must generate.

To calculate the asset charge, the net asset base is multiplied by the weighted average cost of capital (WACC).

The Group's WACC is defined as the weighted average net cost of interest-bearing liabilities and equity, taking into account division-specific risk factors in a beta factor according to the Capital Asset Pricing Model. Deutsche Post DHL aims to increase enterprise value via efficient management of the net asset base.

In order to optimise the gearing ratio and thus decrease WACC, two factors must be weighed against each other:

1. Since equity investors expect higher yields than debt investors, WACC declines as the gearing ratio increases (leverage effect).
2. If the gearing ratio is high, the company's credit rating has a tendency to decrease and borrowing costs to increase – and negate the positive effects of the decline in WACC.

Since 2008, a WACC of 8.5% has been considered the minimum target level for projects and investments in the Group.

EAC amounted to €–959 million in 2009 (previous year: €–2,484 million). In both financial years 2008 and 2009, profit from operating activities was depressed by non-recurring items.

A.10 EBIT after asset charge (EAC)

€m	2008 adjusted	2009	+/–%
Reported EBIT	–966	231	123.9
− Asset charge	–1,518	–1,190	–21.6
= **EAC**	**–2,484**	**–959**	**61.4**

In terms of EAC, we reduced the asset charge by €328 million to €1,190 million across all segments, in part thanks to improved net working capital management.

A.08 Calculating EAC

Reported EBIT	
− Asset charge	
	= Net asset base
	× Weighted average cost of capital
= **EBIT after asset charge**	

A.09 Calculating net asset base

Operating assets
- Intangible assets
- Property, plant and equipment
- Trade receivables, other operating assets

− Operating liabilities
- Operating provisions
- Trade payables, other operating liabilities

= **Business operating assets (BOA)**
+ Goodwill
= **Net asset base**

→ Earnings, page 34

CAPITAL MARKET

DEUTSCHE POST SHARES

A year of extremes on the stock market

2009 was a year of extremes on the stock markets. At the start of the year, investors were fleeing from shares in droves and investing in traditionally conservative investment products. Investor fear pushed the DAX down to an annual low of 3,666 points on 6 March – a loss in value of 23.8% on the 2008 closing value. Starting in the spring, sentiment on the capital markets gradually began improving. Good news from the business community, especially the banking sector, gave the markets reason to hope. It became apparent that policymakers were going to come to the aid of the financial world as never before. The first leading indicators were likewise positive, and the DAX climbed back over the 5,000-point mark. The index drifted back down briefly in the summer prior to rebounding in mid-July to close the year at nearly 6,000 points and a gain of approximately 24% on the previous year's closing value. The EURO STOXX 50 gained 21.1% and the Dow Jones rose 18.8%.

A.11 Deutsche Post shares, multi-year review

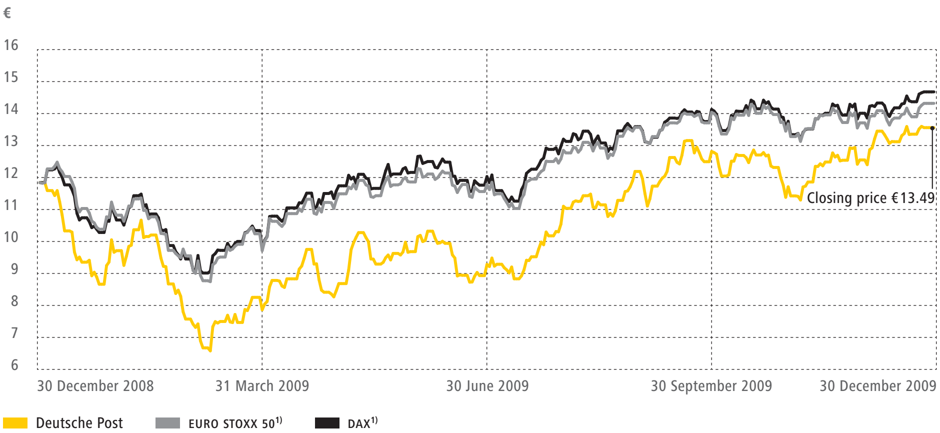
		2004	2005	2006	2007	2008	2009
Year-end closing price	€	16.90	20.48	22.84	23.51	11.91	13.49
High	€	19.80	21.23	23.75	25.65	24.18	13.79
Low	€	14.92	16.48	18.55	19.95	7.18	6.65
Number of shares	millions	1,112.8	1,193.9	1,204.0[1]	1,208.2[1]	1,209.0[1]	1,209.0
Market capitalisation as at 31 December	€m	18,840	24,425	27,461	28,388	14,399	16,309
Average trading volume per day	shares	2,412,703	3,757,876	5,287,529	6,907,270	7,738,509	5,446,920
Annual performance including dividend	%	6.4	24.1	14.9	6.9	–45.5	18.3
Annual performance excluding dividend	%	3.4	21.2	11.5	2.9	–49.3	13.3
Beta factor[2]		0.84	0.75	0.80	0.68	0.81	0.91
Earnings per share[3]	€	1.44	1.99	1.60	1.15	–1.40	0.53
Cash flow per share[4]	€	2.10	3.23	3.28	4.27	1.60	–0.48
Price-to-earnings ratio[5]		11.7	10.3	14.3	20.4	–8.5	25.5
Price-to-cash flow ratio[4, 6]		8.1	6.4	7.0	5.5	7.4	–28.1
Dividend	€m	556	836	903	1,087	725	725[7]
Payout ratio	%	34.8	37.4	47.1	78.6	–	112.6
Dividend per share	€	0.50	0.70	0.75	0.90	0.60	0.60[7]
Dividend yield	%	3.0	3.4	3.3	3.8	5.0	4.4

1) Increase due to exercise of stock options, Note 39. 2) From 2006: Beta 3 years; source: Bloomberg. 3) Based on consolidated net profit excluding minorities, Note 24. 4) Cash flow from operating activities.
5) Year-end closing price/earnings per share. 6) Year-end closing price/cash flow per share. 7) Proposal.

A.12 Peer group comparison: closing price on 30 December

		2008	2009	+/–%
Deutsche Post DHL	€	11.91	13.49	13.3
TNT	€	13.55	21.36	57.6
FedEx	US$	62.22	85.17	36.9
UPS	US$	54.18	58.18	7.4
Kuehne + Nagel	CHF	67.55	100.50	48.8

A.13 Share price performance

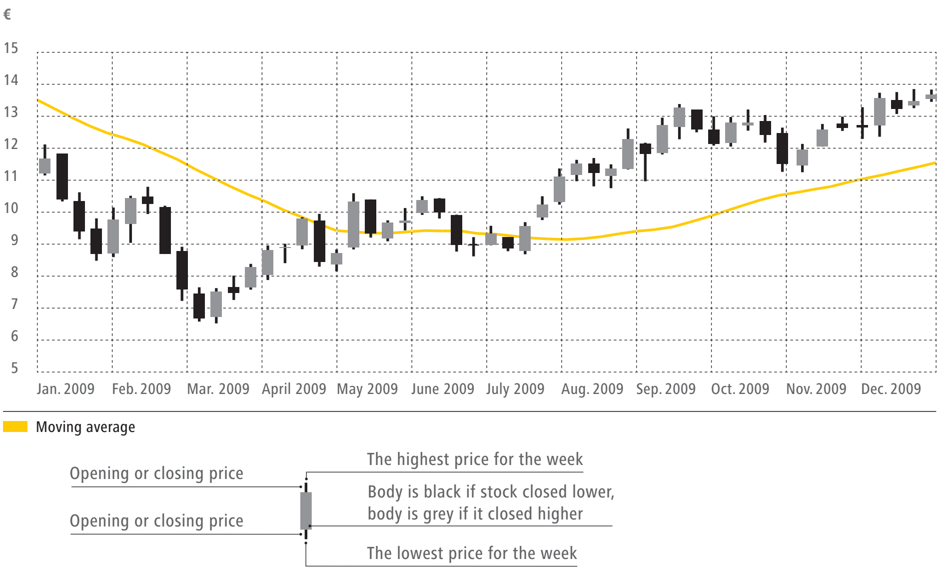


1) Rebased on the closing price of Deutsche Post shares on 30 December 2008.

Our shares recover markedly from annual low

In the initial weeks of the year, our shares lost considerably more ground than the DAX. The dividend reduction to €0.60 per share for financial year 2008 seriously disappointed investors and moved major US investment funds to abandon the stock. On 9 March, our share price hit an all-time low of €6.65 but then rallied, beginning an impressive climb. In just a few weeks the price shot up over the €10 mark before dipping slightly in the summer along with the rest of the market. Our second-quarter results clearly indicated that the measures implemented by the Group to limit the impact of the economic crisis were beginning to take effect. The share price moved back up, this time to stay, and our third-quarter figures confirmed that our efforts had taken hold. At this time the economic output of the major industrial countries also showed improvement for the first time in the year. The positive sentiment that this generated lifted shares of Deutsche Post to their annual high of €13.79 on 29 December. Our shares closed the year at €13.49, a 13.3% gain in value. Average trading volumes were only 5.4 million shares (previous year: 7.7 million).

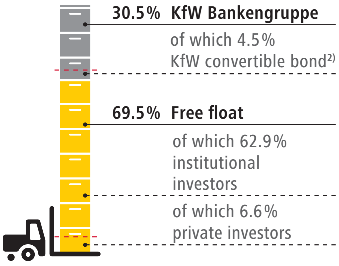
A.14 Candlestick graph/30-day moving average



Majority of analysts give "buy" recommendation

Following the previous year's trend, 18 analysts issued buy recommendations on Deutsche Post shares at year-end, with 10 analysts advising investors to hold and eight to sell. The average price target was €14 – the same as at year-end 2008.

A.15 **Shareholder structure**[1)]



1) As at 4 February 2010.
2) On 23 July 2009 KfW issued a convertible bond on Deutsche Post AG shares (volume: 54.1 million shares). Investors can convert this bond from the first due date for interest until 30 July 2014.

Stable shareholder structure

Our ownership structure was nearly the same as in the previous year. KfW Bankengruppe still held 30.5% of our shares. The free float amounted to 69.5%, 31.8% of which were held in the USA, 14.2% in Germany and 28.0% in the United Kingdom.

ADR programme facilitates US investor access to our shares

On 7 December 2009, we launched a Level 1 American Depositary Receipt (ADR) programme. These depositary receipts (ticker symbol: DPSGY) enable US investors to hold shares in Deutsche Post indirectly.

Investor relations receives top ranking again

In 2009, investors showed great interest in learning how the economic crisis had affected the company and what measures had been taken to counteract these effects. Other issues of significance were the sale of Postbank to Deutsche Bank as well as the mail business, particularly wage negotiations and the possible introduction of a value added tax on mail products. Our IR team and management spoke with investors about these and other topics in numerous individual meetings and at conferences. The Thomson Reuters Extel Pan-European Survey, which is highly regarded in the sector, again awarded us first place in the transport sector.

ROADMAP TO VALUE

Clear focus on profitability

Throughout 2009 we continued to implement our Roadmap to Value capital markets programme – which we announced in November 2007 – with successful results. In particular, our initiatives to improve profitability made a significant contribution to consolidated net profit. Our IndEx programme helped us to lower indirect costs throughout the Group by €1.108 billion – €138 million in 2008 and €970 million in 2009. We even exceeded our total savings target, reaching it twice as quickly as planned thanks to quicker implementation of the savings measures by our divisions, in part due to the ongoing crisis. We were able to compensate for some of the revenue losses resulting from volume declines by lowering costs.

Tight cash management

We invested €1.2 billion in 2009, €0.5 billion less than the prior-year period and a substantial reduction in capital expenditure. At the same time, we improved working capital by €426 million in the reporting period. Since the end of 2007, we have reduced working capital by a total of €890 million, thus surpassing our target of €700 million.

A.16 Progress on the Roadmap to Value

	Goals	Results	
1 Profitability	• Initiation of two-year programme to improve profits by €1 billion.	• Profit improvement target for 2008 reached and IndEx programme implemented earlier than expected.	✓
	• Consolidated EBIT of at least €4.2 billion in 2008.	• EBIT target missed due to various factors including recession, exclusion of Postbank's earnings as a result of its sale etc.	✗
2 Liquidity	• Reduction in net working capital of €700 million by the end of 2009.	• Target exceeded. Reduction of €890 million in net working capital since the end of 2007.	✓
	• Cash proceeds of at least €1 billion from the sale of non-strategic assets within 24 months.	• Real estate totalling €1.35 billion sold.	✓
3 Dividend	• Proposed dividend increase of 20% to €0.90 per share for 2007 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, additional reporting detail.	✓
5 Organic growth	• Reduction in M&A spend.	• No major M&A conducted.	✓

EARNINGS, FINANCIAL POSITION AND ASSETS AND LIABILITIES

THE GROUP'S ECONOMIC POSITION

Overall assessment by the Board of Management

Deutsche Post DHL turned in a solid performance in financial year 2009 given the global economic crisis. Although transported volumes were significantly down on the prior-year level, we were able to cushion the decrease in EBIT before non-recurring items. In fact, at approximately €1.5 billion, we even slightly exceeded our forecast, which was increased to at least €1.35 billion during the course of the year.

We have taken appropriate measures to survive the crisis and emerge from it even stronger: we have saved more than €1 billion in indirect costs with our IndEx programme. We have restructured the express business, which will continue to have a positive influence on our profitability going forward. The sale of Postbank has consolidated our financial position. Rating agencies gave us a positive short-term credit rating, thanks not least to net liquidity of €1.7 billion at the end of the year. We have significantly cut investments and focused on organic growth.

A.17 Selected key indicators for results of operations (continuing operations)

		2008 adjusted	2009
Revenue	€m	54,474	46,201
Profit from operating activities (EBIT) before non-recurring items	€m	2,011	1,473
Profit/loss from operating activities (EBIT)	€m	–966	231
Return on sales[1]	%	–1.8	0.5
Consolidated net profit/loss for the period[2]	€m	–1,688	644
Earnings per share[3]	€	–1.40	0.53
Dividend per share	€	0.60	0.60[4]

1) EBIT/revenue. 2) Excluding minorities, including Postbank. 3) Including Postbank. 4) Proposal.

SIGNIFICANT EVENTS

Transaction for the sale of Postbank shares completed

The transaction for the sale of Postbank shares to Deutsche Bank agreed in January was completed on 25 February 2009 as planned. Deutsche Bank received a 22.9% interest in Postbank from Deutsche Post DHL in return for 50 million Deutsche Bank shares from a capital increase (first tranche). By July 2009, Deutsche Post DHL sold all of its shares in Deutsche Bank AG on the market, as planned, taking a key step towards becoming a pure-play mail and logistics group. The Group generated around €100 million more than anticipated from the sale of the 50 million Deutsche Bank shares. Deutsche Post DHL now no longer holds any shares in Deutsche Bank. The first tranche affected earnings in 2009 by €571 million; this amount is contained in profit from discontinued operations and in net financial income.

An additional interest of 27.4% will be transferred to Deutsche Bank after three years when a mandatory exchangeable bond on Postbank shares becomes due (second tranche).

In a third tranche, Deutsche Post DHL and Deutsche Bank agreed on options for the sale/purchase of a further 12.1% of Postbank's shares. These options cannot be exercised until February 2012. Net financial income includes income of €647 million that reflects the performance of the options on the market.

So far, Deutsche Post DHL has received a total of around €5 billion from the sale of its interest in Postbank.

Insolvency proceedings opened for Karstadt and Quelle

Insolvency proceedings for Arcandor subsidiaries Karstadt Warenhaus GmbH and Quelle GmbH, two of Deutsche Post DHL's key customers in Germany, were opened on 1 September 2009. Quelle GmbH has since been liquidated. These insolvency proceedings impacted earnings by a total of €–247 million in our financial statements for the period ended 31 December 2009.

EARNINGS

Changes in reporting and portfolio

We reported Postbank's activities as discontinued operations until it was sold at the end of February 2009. 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. In order to increase the transparency of financial assets and liabilities in accordance with IAS 39, we have revised our chart of accounts and changed the financial statement presentation. The prior-year amounts have been adjusted accordingly.

In the reporting year, the main changes to our portfolio were as follows:

Note 2

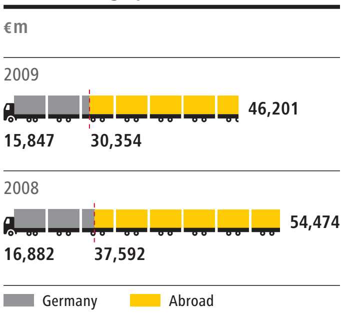
- Effective 6 February 2009, we increased our stake in Selekt Mail Nederland C.V., a Dutch company, from 51% to 100%.
- We sold the French company DHL Global Mail Services SAS in June.
- In July, DHL Sinotrans International Air Courier Ltd. – of which we hold a 51% share – acquired Shanghai Quanyi Express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

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.

Decline in consolidated revenue from continuing operations

Consolidated revenue from continuing operations in financial year 2009 fell 15.2% to €46,201 million (previous year: €54,474 million). Negative currency effects of €675 million contributed to this decline. Following our exit from the domestic US express business, the share of revenue generated abroad fell from 69.0% to 65.7%.

A.18 Consolidated revenue for continuing operations



Lower income and expense

Non-recurring expenses of €495 million were incurred for restructuring activities in the US express business (previous year: €2,117 million). Additional restructuring costs of €747 million (previous year: €440 million) impacted earnings in financial year 2009. In the previous year, additional non-recurring expenses of €610 million were incurred for an impairment loss on goodwill for Supply Chain and of €382 million for a write-down on the Exel brand.

Note 12

In 2008, the repayment received in the EU state aid proceedings generated non-recurring income of €572 million. It is primarily for this reason that other operating income fell by €595 million to €2,141 million.

Note 13

The lower sales volume in conjunction with lower oil prices led to a fall of €6,205 million in materials expenses to €25,774 million.

Note 14

Staff costs fell by €1,368 million to €17,021 million, due mainly to our withdrawal from the US domestic express market.

Note 15

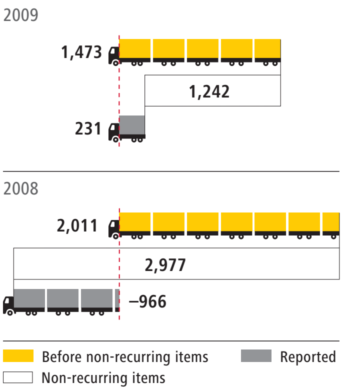
At €1,620 million, depreciation, amortisation and impairment losses were down 39.1% on the prior-year figure (€2,662 million). The year under review was impacted in particular by the restructuring of the US express business and the insolvency of Arcandor. In 2008, write-downs on the goodwill of Supply Chain and the Exel brand in particular had increased depreciation, amortisation and impairment losses.

Note 16

Thanks to our cost reduction programme, we cut other operating expenses from €5,146 million in the previous year to €3,696 million. Travel and consulting costs in particular were reduced considerably.

A.19 Consolidated EBIT for continuing operations

€m



Arcandor insolvency impacts earnings

Profit from operating activities (EBIT) from continuing operations rose by €1,197 million to €231 million, year-on-year. In the previous year, this item contained income of €572 million from the state aid proceedings, restructuring costs of €2,557 million and impairment losses of €992 million. In the reporting period, the above-mentioned restructuring costs impacted earnings by €1,242 million. Adjusted for these non-recurring items, EBIT fell by 26.8% to €1,473 million.

The insolvency of Arcandor impacted earnings for the reporting period by a total expense of €247 million. EBIT before non-recurring items has not been adjusted for this charge.

Measurement of derivatives relating to the sale of Postbank had a positive effect on net financial income, which amounted to €45 million – up €145 million from the net finance costs of €100 million recorded previously. The prior-year figure included the interest component of the state aid repayment.

Net financial income also contains a €19 million gain from the measurement of Postbank on an equity-accounted basis. Postbank has informed us that as a result of a random sampling examination conducted by *Deutsche Prüfstelle für Rechnungslegung e.V.* a correction has been made to its prior-year financial statements which has, in turn, had an effect on the reporting year. Deutsche Post DHL considers this error insignificant and has accounted for it in the gain from the measurement of Postbank on an equity-accounted basis for financial year 2009. Net financial income has been reduced by €25 million as a result.

The profit from continuing operations before income taxes improved to €276 million (previous year: loss of €1,066 million).

By contrast, income taxes fell from €200 million to €15 million. All in all, profit from continuing operations amounted to €261 million, a rise of €1,527 million on the previous year.

Profit from discontinued operations includes deconsolidation gain

Profit from discontinued operations rose by €1,145 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 effect of €444 million. Details are presented in the Notes.

Note 21

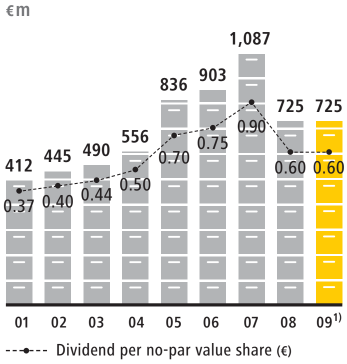
Consolidated net profit for the period up sharply

The combined profit from continuing and discontinued operations resulted in a consolidated net profit for the period of €693 million (previous year: loss of €1,979 million). Of this amount, €644 million is attributable to Deutsche Post shareholders and €49 million to minorities. Both basic and diluted earnings per share rose from €–1.40 to €0.53. Earnings per share for continuing operations amounted to €0.17, whilst earnings per share for discontinued operations were €0.36.

Dividend of €0.60 per share proposed

At the Annual General Meeting on 28 April 2010, the Board of Management and the Supervisory Board will propose the payment of a dividend per share of €0.60 for financial year 2009 (previous year: €0.60). The distribution ratio based on the consolidated net profit attributable to Deutsche Post AG shareholders amounts to 112.6%. The net dividend yield based on the year-end closing price of our shares is 4.4%. The dividend will be distributed on 29 April 2010 and is tax-free for shareholders resident in Germany.

A.20 Total dividend and dividend per no-par value share



1) Proposal.

FINANCIAL POSITION

Principles and aims of financial management

The Group's financial management activities include cash and liquidity management; the hedging of interest rate, currency and commodity price risk; Group finance; issuing guarantees and letters of comfort and liaising with the rating agencies. We manage processes centrally, allowing us to work efficiently and successfully manage risks.

Responsibility for activities rests with Corporate Finance at Group headquarters, which is supported by three Regional Treasury Centres in Bonn (Germany), Fort Lauderdale (USA) and Singapore. These centres act as interfaces between headquarters and the operating companies, advise the companies on all financial management issues, and ensure compliance with the Group-wide requirements. These guidelines and processes comply with the *Gesetz zur Kontrolle und Transparenz im Unternehmensbereich* (KonTraG – German law on control and transparency in business) of 27 April 1998.

Corporate Finance's main task is to minimise financial risks and the cost of capital, whilst preserving the Group's lasting financial stability and flexibility. In order to maintain its unrestricted access to the capital markets, the Group continues to aim for a credit rating appropriate to the sector. We therefore monitor the ratio of our operating cash flow to our adjusted debt particularly closely. Adjusted debt refers to the Group's net debt, allowing for unfunded pension obligations and liabilities under operating leases.

Central cash and liquidity management

Corporate Treasury is responsible for central cash and liquidity management for our subsidiaries, whose operations span the globe. More than 80% of the Group's external revenue is consolidated in cash pools and used to balance internal liquidity needs. In countries where this practice is ruled out for legal reasons, internal and external borrowing and investment are arranged centrally by Corporate Treasury. In this context, we observe a balanced banking policy in order to remain independent of individual banks. Our subsidiaries' intragroup revenue is also pooled and managed by our in-house bank in order to avoid external bank charges and margins (intercompany clearing). Payment transactions are executed in accordance with uniform guidelines using standardised processes and IT systems.

Managing market risk

The Group uses both primary and derivative financial instruments in order to limit market risk. Interest rate risk is managed exclusively via swaps. Currency risks are hedged using forward transactions, cross-currency swaps and options in addition. We largely pass on the risk arising from commodity fluctuations to our customers and manage the remaining risk using commodity swaps. The framework, responsibilities and controls governing the use of derivatives are laid down in internal guidelines.

Flexible and stable financing

The Group covers its long-term financing requirements by maintaining a balanced ratio of equity to liabilities. This ensures our financial stability whilst providing adequate flexibility. Our most important source of funds is net cash from operating activities. We cover our borrowing requirements using a number of independent financing sources, including confirmed bilateral credit lines, bonds and structured financing transactions, and operating leases. Most debt is taken out centrally in order to leverage economies of scale and specialisation benefits and hence to minimise the cost of capital.

The Group has total unsecured committed credit lines of €2.7 billion, of which only €0.2 billion had been drawn down as at 31 December 2009. As part of our banking policy, we ensure we spread the volumes widely and maintain long-term business relationships with financial institutions. Alongside the customary equal treatment clauses and termination rights, the relevant loan agreements do not contain any further covenants concerning the Group's financial indicators. On average, only around 7% of credit lines were drawn down in 2009 (previous year: 17%).

Guarantees and letters of comfort

Deutsche Post AG provides security for the loan agreements, leases and supplier contracts entered into by Group companies, associates or joint ventures as necessary by issuing letters of comfort, sureties or guarantees. This practice allows better conditions to be negotiated locally. The sureties are provided and monitored centrally.

Creditworthiness of the Group

Credit ratings represent an independent and current assessment of a company's credit standing. The ratings are based on a quantitative analysis and measurement of the annual report and appropriate planning data. Qualitative factors, such as industry-specific features and the company's market position and range of products and services, are also taken into account. The creditworthiness of our Group is reviewed on an ongoing basis by the rating agencies Standard & Poor's and Moody's Investors Service.

Standard & Poor's has issued a long-term credit rating of BBB+ for our Group's ability to meet its financial commitments, which it regards as appropriate. Moody's gave us a similar rating. This means that Deutsche Post DHL is well positioned in the transport and logistics sector. The following table shows the current ratings and rating factors. The complete analyses by the rating agencies and the rating categories are to be found on our website.

@ dp-dhl.com/en/investors.html

A.21 Rating agencies' ratings

Standard & Poor's (2 July 2009)[1]	Moody's Investors Service (26 June 2009)[1]
Long-term: BBB+ Short-term: A–2 Outlook: negative	Long-term: Baa1 Short-term: P–2 Outlook: stable
+ Rating factors	**+ Rating factors**
• Global network, with leading market positions in international European and Asian express delivery services • Dominant position in the German mail market supports Group cash flow generation • Global number one integrated logistics provider • Significant disposal proceeds to fund restructuring and provide liquidity	• Global presence and scale as Europe's largest logistics company • Large and relatively robust mail business • Plan to increase profitability while reducing capital intensity as outlined in the Roadmap to Value capital markets programme • Sale of Postbank provides cash liquidity and a buffer for the cash outflow associated with the restructuring of US Express
– Rating factors	**– Rating factors**
• Regulatory risk and structural volume decline in the mail business • Below-par profitability of businesses outside domestic mail operations • Significant restructuring commitments at US Express • Vulnerability to trading volume declines given high level of operational gearing to support global network	• High fixed cost base depresses the operating margin in case of falling business volume in the mail and express business • Competition in fully liberalised German market for postal services is gradually eroding Deutsche Post's market share • Deutsche Post's partial VAT exemption is currently being reviewed by the German government and the EU • Strategic and operational prospects for a downsized US express business in view of the value of the operation for the global network

1) Most recent report.

Liquidity and sources of funds

As at the balance sheet date, the Group had cash and cash equivalents in the amount of €3.1 billion (previous year: €1.4 billion) at its disposal. A large portion of this is accounted for by Deutsche Post AG. Most of the cash and cash equivalents are invested centrally on the money market. Such short-term money-market investments amounted to €1.9 billion as at the reporting date. These are supplemented by investment funds of €1.6 billion that are callable at sight and are reported as current financial assets in the balance sheet.

Net cash from the sale of Postbank in the reporting period amounted to around €5 billion. On the other hand, extraordinary cash outflows of €1.4 billion was incurred for restructuring of the US express segment in particular, and for the early repayment of a municipal bond, which had been issued to finance investments in Cincinnati Airport (€0.1 billion).

Note 46

The financial liabilities reported in our balance sheet can be broken down as follows:

A.22 Financial liabilities

€m

	2008	2009
Bonds	2,019	1,870
Due to banks	1,080	577
Finance lease liabilities	531	269
Liabilities to Group companies	184	126
Liabilities at fair value through profit or loss	652	141
Other financial liabilities	408	4,456
	4,874	**7,439**

The largest single items are Deutsche Post Finance B.V.'s two listed bonds. Also of significance are the municipal bond issued to fund investments at the airport in Wilmington, Delaware (US), and the project finance received from the European Investment Bank for mail sorting centres in Germany and an IT centre in the Czech Republic.

Other financial liabilities mainly comprise the sale of Deutsche Postbank AG shares in the form of a mandatory exchangeable bond, cash collateral and a hedging liability. Further information on the reported financial liabilities is contained in the Notes.

Note 46

Operating leases are an important source of funding for the Group. We use operating leases to finance real estate as well as aircraft, vehicle fleets and IT equipment.

A.23 Operating lease obligations by asset class

€m

	2008	2009
Land and buildings	6,452	5,359
Technical equipment and machinery	68	106
Other equipment, office and operating equipment, transport equipment, other	560	416
Aircraft	194	312
	7,274	**6,193**

Operating leasing obligations fell significantly to €6.2 billion in 2009 (continuing operations in the previous year: €7.1 billion). This was mainly because the US express business was substantially reduced, but also because capital requirements were lower overall. These effects were partially offset by an increase in the aircraft item as a result of AeroLogic GmbH's fleet expansion.

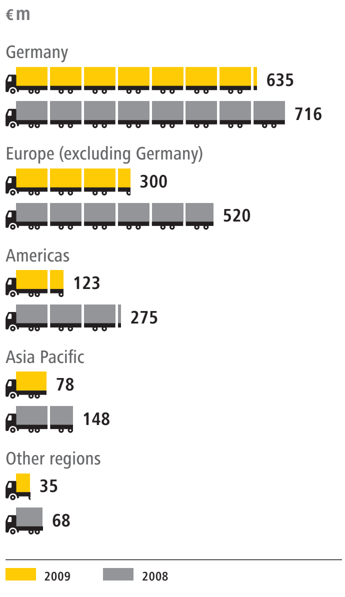
Investments on target

The Group's capital expenditure (capex) amounted to €1,171 million in total at the end of December 2009 (previous year: €1,727 million), down slightly on the budgeted figure of approximately €1,200 million. We used these funds to improve productivity and quality. We acquired assets with which we process customer orders and maintain our network's performance, with the focus being on replacement investments.

In line with the economic situation, we spent 32.2% less year-on-year, and 25.2% less in the fourth quarter. The EXPRESS and SUPPLY CHAIN divisions in particular contributed to this significant decline. We used the funds mainly to replace and expand the following assets: €930 million was invested in property, plant and equipment and €241 million in intangible assets excluding goodwill. Investments in property, plant and equipment related mainly to advance payments and assets under development (€207 million), technical equipment and machinery (€182 million), IT equipment (€132 million), transport equipment (€128 million), aircraft (€110 million) and other operating and office equipment (€98 million). Investments in intangible assets related to internally generated and purchased software (€166 million) and advance payments and intangible assets under development (€59 million).

We invested primarily in Europe, the Americas and Asia. Our investment activities in Europe were focused on Germany, Belgium and the UK. In Asia we concentrated on India, Malaysia and China.

A.24 Investments by region



A.25 Capex and depreciation, full year

€m	MAIL		EXPRESS		FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Continuing operations	
	2008	2009	2008	2009	2008	2009	2008 [1]	2009	2008	2009	2008	2009	2008	2009
Capex	282	329	727	380	94	82	390	204	234	176	0	0	1,727	1,171
Depreciation on assets	346	321	542	489	105	108	1,343	403	326	299	0	0	2,662	1,620
Capex-to-depreciation ratio	0.82	1.02	1.34	0.78	0.90	0.76	0.29	0.51	0.72	0.59	0	0	0.65	0.72

1) Depreciation including write-downs on goodwill and the Exel brand.

A.26 Capex and depreciation, Q4

€m	MAIL		EXPRESS		FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Continuing operations	
	2008	2009	2008	2009	2008	2009	2008 [1]	2009	2008	2009	2008	2009	2008	2009
Capex	113	129	195	99	29	32	104	64	74	61	0	0	515	385
Depreciation on assets	93	76	208	170	30	28	1,101	92	130	83	0	0	1,562	449
Capex-to-depreciation ratio	1.22	1.70	0.94	0.58	0.97	1.14	0.09	0.70	0.57	0.73	0	0	0.33	0.86

1) Depreciation including write-downs on goodwill and the Exel brand.

MAIL invests in the future

Capital expenditure in the MAIL division in the reporting period rose from €282 million to €329 million. These investments related in particular to technical equipment and machinery (€92 million), internally generated intangible assets (€76 million), other operating and office equipment (€73 million) and IT equipment (€55 million).

In the domestic mail business, investments focused on replacing technical equipment and machinery, IT, and other operating and office equipment. We purchased mail sorting machines for the mail centres in Germany that enable standard and compact letters to be processed more efficiently. We also replaced transport equipment.

MAIL, page 47

In the domestic parcel business, the main investment areas were other operating and office equipment, technical equipment and IT. In the reporting period, we increased the number of Packstations by more than 1,000 to around 2,500.

With regard to retail outlets, we modernised the IT infrastructure, improved the software used at the counters and restructured the network.

Investments in the international mail business were down substantially and focused on replacement property, plant and equipment.

EXPRESS consolidates global network

We significantly reduced investments in the EXPRESS division in the reporting period to €380 million (previous year: €727 million), in line with the economic situation. Investments in property, plant and equipment focused on aircraft (€110 million), advance payments and assets under development (€100 million), technical equipment and machinery (€46 million), leasehold improvements (€26 million) and IT equipment (€16 million).

Investments in intangible assets related mainly to advance payments and intangible assets under development (€38 million) as well as software (€19 million). We maintained our worldwide network of aircraft and our vehicle fleet and established and expanded hubs and terminals.

Glossary, page 224

In regional terms, we focused on Europe, the Americas and the Asia Pacific region. In Europe, we equipped terminals in Benelux, Scandinavia and the UK in particular. In the Americas, we replaced technical equipment and IT primarily as part of the restructuring of the US express business. In the Asia Pacific region, we invested in our network, terminals, gateways and office buildings.

Modern infrastructure for the forwarding and freight business

A total of €82 million was invested in the GLOBAL FORWARDING, FREIGHT division (previous year: €94 million). Of this figure, €58 million was attributable to the Global Forwarding Business Unit. Investments were made mainly in intangible assets (€20 million), leasehold improvements (€10 million), IT equipment (€10 million), advance payments and property, plant and equipment under development (€6 million), and other operating and office equipment (€5 million). This laid the foundation for a modern IT infrastructure, simplified processes and equipped buildings. In regional terms, we focused on the Asia Pacific region, the Americas and Europe.

Funds of €24 million were invested in the Freight Business Unit, where they were used primarily for terminal expansion and state-of-the-art IT. In regional terms, we focused on Germany, Scandinavia and the Benelux countries.

Consolidation in contract logistics

At €204 million, investments in the SUPPLY CHAIN division were down significantly on the previous year's level (€390 million). Of this figure, €183 million was attributable to the Supply Chain Business Unit. We invested primarily in projects with new and existing customers in order to establish and expand long-term customer relationships. Approximately 45% of capital expenditure was invested in new business.

In the United Kingdom, we directed capital expenditure towards cross-sector 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 new customers in the consumer, retail, energy and automotive sectors. We also modernised warehouses for existing customers in all sectors. Capital expenditure was reduced most heavily in Continental Europe. The funds were primarily used to equip warehouses for new customers and to purchase associated IT equipment.

In the Williams Lea Business Unit (total expenditure: €21 million) state-of-the-art printing technology, amongst other things, was purchased, mainly for Germany.

Further decline in cross-divisional investments

Cross-divisional investments also continued to decline, from €234 million in the previous year to €176 million. Most of the expenses were incurred for the purchase of vehicles and for IT. The decline in investment volume was mainly due to fewer vehicles being purchased. Deutsche Post Fleet GmbH invested €103 million in new and replacement vehicles (previous year: €160 million). Funds amounting to €58 million (previous year: €41 million) were invested in IT. This increase was mainly the result of restructuring.

Cash flow statement for continuing operations

Net cash from operating activities fell by €2,118 million year-on-year to €1,244 million. This is mainly the result of the utilisation of provisions, primarily due to the restructuring of the US express business. For this reason, net cash from operating activities before changes in working capital was down significantly on the prior-year figure (€2,714 million), at €763 million. The reduction in working capital also led to an increase in net cash from operating activities. In particular, the decline in receivables and other current assets contributed to the improvement. All in all, the net cash from working capital is down €167 million year-on-year.

A.27 Operating cash flow by division, 2009

€m

A.28 Selected cash flow indicators (continuing operations)

€m

	2008	2009
Cash and cash equivalents as at 31 December	1,350	3,064
Change in cash and cash equivalents	62	1,456
Net cash from operating activities	3,362	1,244
Net cash used in investing activities	–914	–1,469
Net cash used in/from financing activities	–2,386	1,681

At €1,469 million, net cash used in investing activities was up significantly year-on-year (2008: €914 million). This was mainly due to the sale of properties in 2008 leading to a €942 million inflow of funds; in addition, we received interest of €495 million on the repayment of EU state aid. In contrast, cash paid to acquire non-current assets fell sharply by €1,713 million to €1,456 million. Amongst other things, we modernised mail centres and IT and maintained our global network of aircraft. In the previous year, a significant amount of funds was invested in establishing the European and Asian air hubs in particular and we also participated in Postbank's capital increase. The change in current financial assets led to a net cash outflow of €659 million. The sale of the Deutsche Bank shares resulted in a cash inflow which was invested in capital market instruments. Cash paid to acquire subsidiaries and other business units fell sharply from €1,417 million in the previous year to €53 million.

Taken together, net cash used in operating activities and net cash used in investing activities resulted in a negative free cash flow of €225 million. In the previous year, the free cash flow was clearly positive, at €2,448 million.

Financing activities in the reporting year resulted in cash inflows of €1,681 million. 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). The decline in current financial liabilities was reflected in lower interest payments, which fell €143 million to €291 million. Net cash used in financing activities in the previous year amounted to €2,386 million.

Cash and cash equivalents rose from €1,350 million to €3,064 million year-on-year due to the changes in the individual areas of continuing operations and discontinued operations.

ASSETS AND LIABILITIES

Group's total assets drop due to Postbank sale

The deconsolidation of Postbank led to a sharp reduction in the Group's total assets as at 31 December 2009. At €34,738 million, these were down €228,226 million on the figure as at 31 December 2008.

Non-current assets increased from €20,517 million to €22,022 million, primarily because of the €1,711 million rise in investments in associates. Following the deconsolidation, this item contains the remaining shares in Postbank. Specifically, the put options received as part of the Postbank sale increased other non-current financial assets from €718 million to €1,448 million. Other non-current assets declined slightly by €22 million to €348 million. Property, plant and equipment fell from €6,676 million to €6,220 million mainly, as a result of depreciation, amortisation and impairment losses and write-downs. Deferred tax assets also decreased by €365 million to €668 million.

The significant decline in current assets (from €242,447 million to €12,716 million) is primarily due to the Postbank sale: following its deconsolidation, all Postbank assets were recognised as disposals, thereby reducing assets held for sale to almost zero. Due to the planned sale of our business involving domestic day-definite shipments in France and the UK, we reclassified the corresponding assets as held for sale. Part of the funds obtained from the sale of Postbank was invested in short-term capital market instruments; these represented the key factor in the increase in current financial assets from €684 million to €1,894 million. Cash and cash equivalents increased from €1,350 million to €3,064 million, due in particular to the remaining portion of the cash received. In contrast, receivables and other assets decreased from €8,081 million to €7,157 million, primarily as a result of the general economic situation.

Notes 33 to 38

Compared with 31 December 2008, equity attributable to Deutsche Post shareholders rose by €350 million to €8,176 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 significant €1,929 million decline in minority interests to €97 million is due to the deconsolidation of Postbank.

Table C.05 and Note 42

The sale of Postbank was also the key factor behind the reduction in non-current and current liabilities. All of Postbank's liabilities and provisions were reported under liabilities associated with assets held for sale as at 31 December 2008 and were recognised in full as disposals following its deconsolidation. This resulted in a net decline of €227,736 million. Financial liabilities increased from €4,874 million to €7,439 million. Current financial liabilities were reduced from €1,422 million to €740 million, primarily because bank loans were repaid and liabilities from foreign currency derivatives fell. By contrast, non-current financial liabilities increased from €3,452 million to €6,699 million, as a mandatory exchangeable bond was subscribed as part of the Postbank sale and the put options were collateralised. Non-current and current provisions declined from €10,836 million to €9,677 million due in particular to the utilisation of provisions for restructuring measures and lower deferred tax liabilities. Trade payables amounted to €4,861 million as at 31 December 2009 and were therefore slightly below the previous year (€5,016 million). Other current and non-current liabilities also fell by €253 million, from €4,299 million to €4,046 million.

Notes 46 to 48

Indicators for continuing operations

In order to ensure the comparability of the indicators, figures as at 31 December 2008 refer to an analysis with Postbank presented on an equity-accounted basis ("Postbank at equity").

The revision of our chart of accounts affected the composition of net debt/net liquidity: this indicator now also contains the effects of the measurement of derivatives. The prior-year amounts have been adjusted accordingly. Details are presented in the Notes.

Note 5

The sale of Postbank significantly reduced our net debt and increased our 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 assets 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. Equally, the collateral for the put option on the remaining Postbank shares and the net effect of the measurement of the derivatives from the sale of Postbank are not included in the calculation. As a result, net debt decreased, or net liquidity increased, from €2,466 million to €–1,690 million.

At 23.8 %, the equity ratio was exactly the same as in the previous year.

Net gearing – the ratio of net debt to the sum of equity and net debt combined – fell from 23.7 % to –25.7 %.

Net interest cover is calculated by dividing EBIT by net interest received/paid and shows the ratio of EBIT to net interest obligations. It declined from 7.1 to 1.2.

The dynamic gearing ratio is an indicator of internal financing capacity and expresses the average number of years required to pay off outstanding debt using the cash flow generated from operating activities in the year under review. It changed from an average of 0.7 years to –1.4 years.

A.29 Selected indicators for net assets (continuing operations)

		2008[1]	2009
Equity ratio	%	23.8	23.8
Net debt/net liquidity	€m	2,466	–1,690
Net gearing	%	23.7	–25.7
Net interest cover		7.1	1.2
Dynamic gearing ratio	years	0.7	–1.4

1) Postbank at equity.

A.30 Net debt calculation (continuing operations)

€m

	2008	2009
Non-current financial liabilities	3,452	6,699
+ Current financial liabilities	1,422	740
= Financial liabilities	4,874	7,439
– Cash and cash equivalents	1,350	3,064
– Current financial assets	684	1,894
– Long-term deposits[1]	256	120
– Positive fair value of non-current financial derivatives[2]	89	805
= Financial assets	2,379	5,883
– Financial liabilities to Williams Lea minority shareholders	29	23
– Mandatory exchangeable bond[3]	0	2,670
– Collateral for the put option[3]	0	1,200
+ Net effect of the measurement of the Postbank derivatives[4]	0	647
= Non-cash adjustments	29	3,246
Net debt/net liquidity (continuing operations)	2,466	–1,690

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

DIVISIONS

OVERVIEW

A.31 Key figures by operating division

€m	2008 adjusted	2009	+/–%	Q4 2008 adjusted	Q4 2009	+/–%
MAIL						
Revenue	14,393	13,684	–4.9	3,895	3,712	–4.7
of which Mail Communication	6,031	5,820	–3.5	1,600	1,554	–2.9
Dialogue Marketing	2,855	2,678	–6.2	781	710	–9.1
Press Services	860	819	–4.8	223	209	–6.3
Parcel Germany	2,582	2,574	–0.3	762	768	0.8
Retail Outlets	815	806	–1.1	229	218	–4.8
Global Mail	1,970	1,679	–14.8	503	453	–9.9
Pension Service	88	98	11.4	20	21	5.0
Consolidation/Other	–808	–790	2.2	–223	–221	0.9
Profit from operating activities (EBIT) before non-recurring items	1,641	1,412	–14.0	476	511	7.4
Profit from operating activities (EBIT)	2,179	1,383	–36.5	442	503	13.8
Return on sales (%)[1]	15.1	10.1		11.3	13.6	
Operating cash flow	2,235	1,148	–48.6	–	–	–
EXPRESS						
Revenue	13,637	10,312	–24.4	3,282	2,778	–15.4
of which Europe	6,631	5,603	–15.5	1,633	1,474	–9.7
Americas	3,559	1,473	–58.6	712	391	–45.1
Asia Pacific	2,746	2,580	–6.0	723	724	0.1
EEMEA (Eastern Europe, the Middle East and Africa)	1,176	1,054	–10.4	310	280	–9.7
Consolidation/Other	–475	–398	16.2	–96	–91	5.2
Profit from operating activities (EBIT) before non-recurring items	164	238	45.1	66	162	>100
Loss from operating activities (EBIT)	–2,194	–807	63.2	–2,206	–375	83.0
Return on sales (%)[1]	–16.1	–7.8		–67.2	–13.5	
Operating cash flow	263	–459	–	–	–	–
GLOBAL FORWARDING, FREIGHT						
Revenue	14,179	10,870	–23.3	3,611	2,996	–17.0
of which Global Forwarding	10,585	7,891	–25.5	2,744	2,208	–19.5
Freight	3,710	3,065	–17.4	899	810	–9.9
Consolidation/Other	–116	–86	25.9	–32	–22	31.3
Profit from operating activities (EBIT) before non-recurring items	403	272	–32.5	114	67	–41.2
Profit from operating activities (EBIT)	362	191	–47.2	73	23	–68.5
Return on sales (%)[1]	2.6	1.8		2.0	0.8	
Operating cash flow	630	528	–16.2	–	–	–
SUPPLY CHAIN						
Revenue	13,718	12,507	–8.8	3,535	3,223	–8.8
of which Supply Chain	12,469	11,302	–9.4	3,209	2,909	–9.3
Williams Lea	1,243	1,206	–3.0	332	317	–4.5
Profit/loss from operating activities (EBIT) before non-recurring items	196	–121	<–100	47	–98	<–100
Loss from operating activities (EBIT)	–920	–208	77.4	–1,069	–171	84.0
Return on sales (%)[1]	–6.7	–1.7		–30.2	–5.3	
Operating cash flow	481	432	–10.2	–	–	–

1) EBIT/revenue.

MAIL

Business units and products

Mail Communication
- Mail products
- Special services
- Franking
- Philately

Dialogue Marketing
- Advertising mail
- Tailored end-to-end solutions
- Special services

Press Services
- Press distribution services
- Special services

Parcel Germany
- Parcel products
- Special services
- Packstations

Global Mail
- Mail import and export
- Cross-border mail
- Domestic mail services in countries other than Germany
- Special services

Pension Service
- Database administration
- Payments

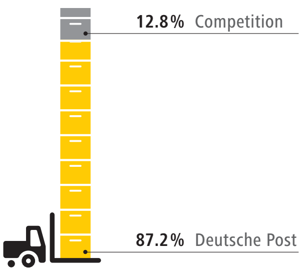
Customers in Germany
- 39 million households
- 3 million business customers
- 2–3 million retail outlet customers per working day

Network in Germany
- 82 mail centres
- 33 parcel centres
- Approximately 2,500 Packstations
- Approximately 1,000 Paketboxes
- Approximately 17,000 retail outlets and points of sale
- 70 million letters per working day
- 2.5 million parcels per working day

BUSINESS UNITS AND MARKET POSITIONS

A.32 Domestic mail communication market, 2009

Market volume: €6.3 billion



Source: company estimate.

The Postal Service for Germany

We are Europe's largest postal company, delivering some 70 million letters every working day in Germany. We offer all types of products and services to both private and business customers, ranging from standard letters and merchandise to special services such as cash on delivery and registered mail. Customers can now also purchase stamps online or via text messaging rather than just at our retail outlets or from stamp machines as in the past. In addition, we develop tailor-made mailing solutions to meet the needs of business customers and organisations. For example, we digitalised all of the applications for the *Umweltprämie* (environmental rebate), which the German government introduced in 2009 to promote passenger car sales, and transmitted them in electronic form to the German federal office of economics and export control.

Our mail business focuses on Germany, where the mail market was fully liberalised at the start of 2008. Since then, competition has become more intense. In addition, the domestic mail market is shrinking because electronic communication is increasingly replacing paper-based communication. The economic crisis acted to intensify this trend. In the year under review, the market decreased by 3.1% to around €6.3 billion (previous year: €6.5 billion). We held our share of the market at 87.2% thanks to our high quality.

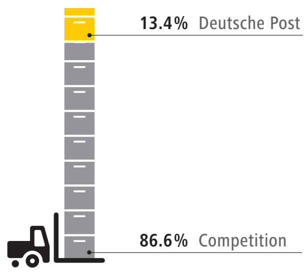
Targeted advertising

Our technical solutions mean that companies are not only able to design and print their advertising mail themselves, they can also calculate the best postage rate. For direct advertising to reach its target, it is important that the address database is always up to date. We offer online tools and services that can be used to ensure the quality of addresses. In addition, we develop solutions for multi-channel customer dialogue ranging from consulting and concept development all the way to media planning and buying as well as the production and dispatch of advertising materials. We thus combine dialogue marketing with conventional advertising and we conduct market research to measure the impact of such advertising.

The German market for dialogue marketing comprises advertising mail along with telephone and e-mail marketing. Compared with the previous year, this market shrank by 5.5% to a volume of €19.3 billion. Companies sharply reduced advertising expenditure in the face of the economic crisis, especially mail-order companies and financial service providers. We have maintained our share of 13.4% in this highly fragmented market.

A.33 Domestic dialogue marketing market, 2009

Market volume: €19.3 billion



Source: company estimate.

Glossary, page 224

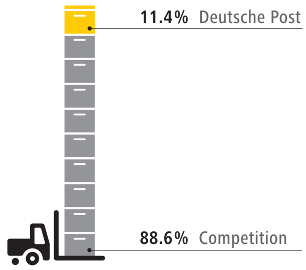
Newspaper and magazine subscriptions

We deliver newspapers and magazines nationwide on the day specified by the customer. Our Press Services Business Unit offers two products: Preferred Periodicals, which is how publishers traditionally mail their subscribed publications, and Standard Periodicals, which is how companies that distribute customer or employee magazines via Deutsche Post usually send these items. Our special services include electronic address updating as well as complaint and quality management.

According to a study carried out by Simon-Kucher & Partners, the German press services market had a total volume of 17.0 billion items in 2009, a decline of 4.5% on the prior year. The circulation and weight of newspapers and magazines has decreased because fewer advertisements were placed. Our competitors in this market are primarily the companies that deliver regional daily newspapers. Although the overall market shrank, we held our share at 11.4%.

A.34 Domestic press services market, 2009

Market volume: 17.0 billion items



Source: study by Simon-Kucher & Partners.

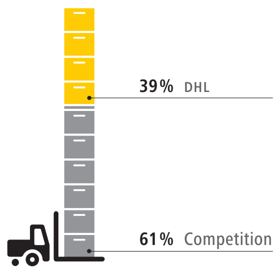
Posting and picking up parcels around the clock

We handle around 2.5 million parcels within Germany each day. We are always available for our private and business customers, no matter when or where. Our customers can send and collect parcels and small packages at our 17,000 retail outlets and points of sale, 2,500 Packstations and 1,000 Paketboxes (approximate figures). We have Packstations in more than 1,600 towns and cities that can be reached within 10 minutes by 90% of the German population. Private customers can also go online and purchase packaging materials, buy postage for parcels, place parcel collection orders and track items.

For business customers, we develop solutions customised for their particular sector. In the dynamically growing online marketplace, both suppliers and customers value fast, simple and secure order placement. For this reason, we do more than simply transport catalogues, goods and returns. We also provide shipping and returns processing software that is tailor made for each individual customer along with special services such as Postident, a product with which retailers can check the age and identity of their internet customers.

A.35 Domestic parcel market, 2009

Market volume: €6.3 billion

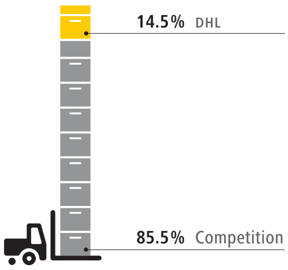


Source: company estimate.

In 2009, volumes in the German parcel market declined by approximately 2.7% to around €6.3 billion. This market is highly competitive, comprising several well-positioned suppliers such as DPD, UPS, GLS and Hermes. For years now, the parcel business has benefited from online sales, which saw another double-digit increase in the reporting year despite the economic crisis. Whilst private demand remained robust, albeit with closer attention being paid to prices, the business-to-business market continued to decline. Traditional mail-order companies are really suffering, as shown by the insolvency of Quelle GmbH. Despite this difficult environment, we increased our share in the German parcel market to 39%.

A.36 Cross-border mail market, 2009 (outbound)

Market volume: €7 billion[1)]



1) This figure cannot be compared with the prior-year figure because the compiling method has changed.

Source: company estimates.

Mail import and export

We deliver mail across borders, serve the domestic markets of countries outside of Germany and also provide special services beyond mail transport. We serve business customers in key domestic mail markets, including the USA, the Netherlands, the UK and Spain. In France, we have scaled back our services with the sale of DHL Global Mail Services SAS. In the USA, we discontinued our DHL@home product for mail-order companies after having reduced our express transport network there.

The global market volume for outbound cross-border mail was approximately €7 billion in 2009. Business in the year under review was shaped by the global recession and a tougher competitive environment. We lost market share due to our decision to focus strictly on earnings and therefore to cut ties with unprofitable customers. We expect a total market share of 14.5% for 2009.

QUALITY

Technological advantage

In Germany, we maintain a nationwide transport and delivery network consisting of 82 mail centres and 33 parcel centres that provide high-quality and efficient mail and parcel processing. We continue to maintain the high level of automation in our mail business at over 90%.

Market research and complaints tell us that our customers expect us to achieve the highest possible quality standards. They rate the quality of our services based on whether mailed items reach their destinations quickly, reliably and undamaged. Our quality management is based on a system that is inspected and certified each year by the *Technischer Überwachungsverein Nord* (*TÜV Nord* – technical inspection association for northern Germany). We again attained excellent results in letter transit times within Germany. According to surveys conducted by Quotas, a quality research institute, well over 94% of the letters posted during our daily opening hours or before final box collections are delivered to their recipients the next day.

In the parcel business, transit times were again improved in the reporting year: nearly 90% of the deliveries we picked up from business customers reached their destination on the next day. Since 2008, our internal system for measuring parcel transit times has been certified by *TÜV Rheinland*.

For international letters, transit times are determined by the International Post Co-operation (IPC). According to European Union (EU) specifications, 85% of all cross-border letters posted within the EU must be delivered within three days of posting. We expect to have significantly exceeded this figure once again, reaching a level of 97%.

Thanks to our co-operation with retailers, our approximately 17,000 retail outlets and points of sale have average weekly opening times of 46 hours. Surveys of our retail outlet customers are conducted annually by *Kundenmonitor Deutschland* (customer monitor for Germany) to determine their level of satisfaction with our services. Over the past 10 years, our ratings have steadily improved from an already high level. Our partner-operated locations in particular have received ratings approaching those of the retail sector, with some partners even exceeding them. More than 90% of customers are served within three minutes as confirmed by mystery shoppers from TNS Infratest, which we hire to conduct around 30,000 tests of the retail outlets per year.

Glossary, page 224

We regard working practices that protect the environment as a key yardstick of quality. In Germany, we therefore employ a *TÜV Nord*-certified environmental management system in our mail and parcel businesses. As part of our GoGreen initiative, we offer private and business customers climate-neutral shipping options. We are also testing transport options involving hybrid, natural gas and electric-powered vehicles.

Corporate responsibility, page 77

STRATEGY AND GOALS

We have three strategic approaches aimed at meeting the challenges of our business, both today and in the future.

Securing our core business

We cut costs wherever possible and sensible, and enhance our business by launching new products and perpetuating strong customer relationships. We also retain the high quality of our services whilst protecting the environment. Ideally, we search for solutions that meet several goals at once: a new generation of machines in our mail centres, for instance, not only raises the level of automation and thus quality but also lowers production costs and carbon (CO_2) emissions.

Proximity to our customers is important to us. We operate the largest network by far of fixed-location retail outlets in Germany, consisting of some 17,000 outlets and sales points. We are expanding our partnerships with retailers, and we offer fast and easy online access to our mail and parcel services. Over the next three years, we will expand our network of around 2,500 Packstations by another 150 machines.

Making our network more flexible

To ensure that the earnings contribution of our mail business remains stable in the future as well, we need to fundamentally change our network to make the costs more flexible. In 2009, we tested procedures for enabling us to respond to fluctuating or declining volumes without sacrificing quality. During the summer holiday period, we combined carrier routes, relocated mail sorting to neighbouring mail centres and downsized our overnight airmail network. We will repeat those procedures that proved effective as necessary. Moreover, we plan to expand our parcel network and render it more flexible in the interests of our customers.

Growing in digital markets

We are taking advantage of our expertise in physical communications to offer competent electronic communications. The internet is already facilitating customer access to our services. They can calculate and purchase postage and also locate retail outlets and Packstations online and by mobile telephone. In addition, starting in 2010 we will begin offering the letter on the internet, a binding, confidential and reliable form of written electronic communication.

We intend to continue participating in the growing internet advertising market. We already offer small and medium-sized enterprises a platform for local services at www.allesnebenan.de as well as the option of calculating costs and placing advertisements in a variety of media using our easy-to-use *Werbemanager* (advertising manager). In our parcel business, we are developing solutions for internet sales. Customers can go to www.meinpaket.de for easy, secure and transparent online purchasing and payment. Parcel recipients receive advance notifications of when their parcels will arrive. In the future, they will even be able to choose where and when they wish to receive their parcels.

REVENUE AND EARNINGS PERFORMANCE

Revenue below prior year's high level

In the year under review, revenue amounted to €13,684 million, down from the previous year's high figure of €14,393 million. The year-on-year decline in areas sensitive to economic developments was in line with expectations. Slight exchange rate gains were posted (€3 million).

Business customer revenue stabilises in the second half of the year

Revenue in the Mail Communication Business Unit declined from €6,031 million to €5,820 million. The increasing use of electronic communication is resulting in ongoing shrinkage of the market, a trend that has been intensified by the economic crisis. In this economic climate, private customers posted fewer letters than in the previous year. Revenues from business customers stabilised in the third and fourth quarters, although total revenues for 2009 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 light of the poor economic conditions.

Risks, page 85

In the regulated mail sector, we kept prices stable as dictated by the price-cap procedure. According to a comparative study we conducted, our postage rates still rank amongst the lowest in Europe. The survey took account of both the nominal price for sending a standard letter (20g) by the fastest method, and key macroeconomic factors such as purchasing power and labour costs.

A.37 Mail Communication: volumes

mail items (millions)	2008 adjusted	2009	+/–%	Q4 2008 adjusted	Q4 2009	+/–%
Business customer letters	6,857	6,663	–2.8	1,767	1,732	–2.0
Private customer letters	1,328	1,292	–2.7	400	386	–3.5
Total	**8,185**	**7,955**	**–2.8**	**2,167**	**2,118**	**–2.3**

Customers advertising less

In a tough economy, customers change their advertising behaviour, a tendency that has become quite apparent in the Dialogue Marketing Business Unit. Mail-order companies in particular advertised much less in the year under review and sent fewer catalogues. Volumes of both addressed and unaddressed advertising mail declined. Although quantities of unaddressed advertising mail rose slightly in the third quarter in the run-up to the German federal elections, they decreased again in the fourth quarter following the Arcandor insolvency. Revenue fell from €2,855 million in 2008 to €2,678 million in 2009, a decrease of 6.2%.

A.38 Dialogue Marketing: volumes

mail items (millions)

	2008	2009	+/–%	Q4 2008	Q4 2009	+/–%
Addressed advertising mail	6,912	6,323	–8.5	1,947	1,732	–11.0
Unaddressed advertising mail[1]	4,940	4,580	–7.3	1,344	1,209	–10.0
Total	**11,852**	**10,903**	**–8.0**	**3,291**	**2,941**	**–10.6**

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

Holding ground in sharply declining press services business

Revenue in the Press Services Business Unit amounted to €819 million, 4.8% below the prior-year figure of €860 million. The general economic trend led publishers to reduce circulation and even discontinue some publications entirely. In addition, both the number of pages and the weight of newspapers and magazines have fallen because their advertising content has decreased. The average prices for distributing these items have therefore dropped.

E-commerce drives increase in parcels

Revenue in the Parcel Germany Business Unit amounted to €2,574 million and was thus on par with the prior year's figure of €2,582 million. Thanks to the growth of online sales, we increased revenue in the German parcel market despite the crisis amongst traditional mail-order companies, an important customer group. In the case of Quelle GmbH, the crisis even resulted in liquidation. In the private customer business, total volumes grew slightly. In international business, we transferred Europlus – a parcel product – to the EXPRESS division, resulting in total revenue in the Parcel Germany Business Unit only reaching the prior-year level.

A.39 Parcel Germany: volumes

parcels (millions)

	2008	2009	+/–%	Q4 2008	Q4 2009	+/–%
Business customer parcels	661	648	–2.0	189	183	–3.2
Private customer parcels	112	113	0.9	37	37	0.0
Total	**773**	**761**	**–1.6**	**226**	**220**	**–2.7**

Retail outlet revenue falls slightly

Revenue generated by our around 17,000 retail outlets and sales points fell slightly from €815 million to €806 million, mainly due to lower internal revenues.

International mail business also sees rise in price sensitivity

In the Global Mail Business Unit, revenue decreased from €1,970 million to €1,679 million. Revenue was particularly impacted by the discontinuation of DHL@home. We no longer offer this product after having reduced our US express network. We are seeing the same trend in our international mail business as in the German market: customers have become more price sensitive, which has caused our traditional import and export business to suffer.

A.40 Mail International: volumes

mail items (millions)	2008 adjusted	2009	+/–%	Q4 2008 adjusted	Q4 2009	+/–%
Global Mail	7,301	6,654	–8.9	1,934	1,705	–11.8

Solid earnings despite the crisis

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.

Division EBIT was €1,383 million, well below the prior-year level of €2,179 million. Fourth-quarter EBIT amounted to €503 million (previous year: €442 million). The repayment awarded in the EU state aid proceedings had increased earnings by €572 million in the previous year. After adjustment for non-recurring expenses such as €29 million from the sale of DHL Global Mail Services SAS in France (previous year: non-recurring income of €538 million), EBIT declined by 14.0% to €1,412 in the year under review (previous year: €1,641 million). In the fourth quarter, however, EBIT rose by 7.4% to €511 million, thanks to stringent cost management. The Arcandor insolvency resulted in expenses of €34 million in the reporting year. EBIT before non-recurring items has not been adjusted for this charge. 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. Wage and cost increases impacted earnings, however. Return on sales amounted to 10.1%.

Operating cash flow amounted to €1,148 million (previous year: €2,235 million), mainly due to the repayment awarded in the EU state aid proceedings in the previous year. Working capital amounted to €–878 million, nearly reaching the low level of the previous year (€–894 million).

EXPRESS

Products	Regions	Network
DHL Time Definite DHL Same Day DHL Day Definite	Europe Americas Asia Pacific EEMEA (Eastern Europe, the Middle East and Africa)	220 countries and territories 6 main hubs 22,400 Servicepoints 8.2 million customers 62,000 vehicles

BUSINESS UNITS AND MARKET POSITIONS

Network for time-critical shipments spans the globe

The EXPRESS division transports time-sensitive documents and goods reliably from door to door via fixed routes and using standardised workflows. Our network spans more than 220 countries and territories in which more than 100,000 employees serve over eight million customers.

In 2009, we continued expanding our reach for Time Definite shipments. In Asia alone, we now offer our pre-12.00 noon delivery service for an additional 3,000 trade lanes.

As a global network operator, we are well aware that the quality of our services and the satisfaction of our customers are crucial in determining our success. This is why we are constantly working to optimise our service.

Standardised time-critical products

Our three product lines, DHL Time Definite, DHL Same Day and DHL Day Definite, offer customers courier and express services in each of the three standard time segments. Special express business services such as customs brokerage, medical services and repair and return complement our portfolio.

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Normally, our customers make use of our customer service numbers or the internet when ordering transport services. In Germany, we leverage the around 17,000 Deutsche Post retail outlets and Salespoints. We also maintain more than 22,000 Servicepoints outside of Germany, where customers can drop off and pick up shipments as needed and have them packed at no extra charge. The prices are standardised by weight class.

At a time when the environmental impact of globalisation is generally a live issue and even more so in the logistics sector, we were the first express service provider to offer GoGreen climate-neutral shipping products in approximately 30 countries.

Our aircraft fleet – economical and ecological

Cargo carrier AeroLogic went into operation in the summer of 2009. This joint venture between DHL Express and Lufthansa Cargo is headquartered at Leipzig/Halle Airport. The fleet currently consists of seven new Boeing aircraft: four B777s and three B767s. We plan to add another 11 aircraft by 2012: eight B777s and three B767s. These

Corporate responsibility, page 76

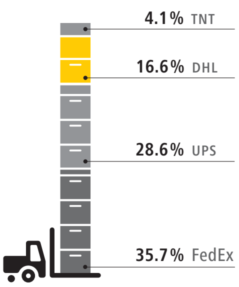
aircraft fulfil all economical and ecological requirements. Compared with earlier models, they reduce fuel consumption and in turn CO_2 emissions by more than 20%. As a result, we expect to reduce emissions by up to 66,000 tonnes per year. Our aircraft fleet thus makes a crucial contribution to meeting the Group's climate protection goals. During the week, the cargo aircraft fly to our destinations in Asia and the United States for our express business and at weekends they supplement the Lufthansa Cargo fleet. Both partners gain capacity and flexibility through this arrangement, whilst customers benefit from shorter transit times and lower unit costs.

Globalisation continues to drive growth

The global express market grew at an average of 6% to 8% per year up until 2006, largely due to globalisation. The economic downturn that ensued depressed growth markedly to 2% to 4% per year, and this continued in 2009. Globalisation nonetheless remains an important growth driver. We are continuing to expand our presence and infrastructure in growth markets. For instance, we are constructing and expanding air hubs, particularly in the Asia Pacific region. In addition, we are continuing to take advantage of our strong potential in many domestic markets outside of the United States. We see growth opportunities in the domestic express markets in Latin and South America as well as in China and India. DHL Express has been positioned strongly in all parts of the world for many years and is the international express market leader in all regions outside of North America.

A.41 American international express market, 2008[1), 2)]: top 4

Market volume: €1,589 million



1) Covers the express products TDI and DDI.
2) Country base: CA, MX, BR, CO, AR, VE, PA, CL, PE, BO, UY, PY, DO, JM.

Source: MRSC, annual reports from UPS, TNT, FedEx, press releases, company websites, estimates and analyst reports.

International offering expanded in the Americas region

In February 2009 we exited the domestic US express business. We have now refocussed fully on our core competency – the international express business. The United States will still remain an integral part of our global network, and the worldwide presence and capability of this network will guarantee us a leading position in the express market.

We have continued to significantly improve our service quality and have replaced legacy IT systems with standardised applications. Our local employees have received additional training as part of the Certified International Specialist programme, which has added strength to our position as experts in international express services and allows us to guarantee first-class service to our customers.

After successfully restructuring the US business, the Americas region was reorganised in July 2009. It now comprises the USA and the six sub-regions of Canada, Mexico, the Caribbean, Central America, Brazil and Spanish-speaking South America. In many countries in the Americas regions, we remain the market leader in the international express business. We have expanded our international service offering to include, amongst other things, pre-09.00 am deliveries to Europe, pre-10.30 am deliveries to the USA from all regions of South and Central America and pre-12.00 noon deliveries within South America.

Leading position in Europe maintained

In Europe, we have maintained our leading position with a market share of nearly 24%, even though the international express market in Europe suffered greatly from the recession. We have provided our customers with first-class service at competitive prices on all trade lanes, particularly to and from Asia and Eastern Europe.

Although we saw volumes decline in our Time Definite International (TDI) product during the reporting year, the trend away from air express shipments and towards more economical ground transport has become more pronounced. We were therefore able to expand our market position in our Day Definite International (DDI) product and slightly increase our market share.

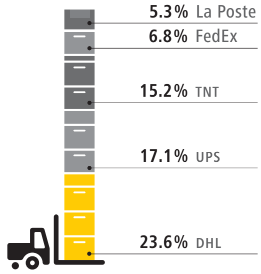
We have reviewed our Day Definite Domestic (DDD) business for profitability and productivity and decided to implement measures for streamlining our portfolio in the UK and France.

We now deliver more than 94% of all our pre-12.00 noon shipments on time (previous year: 92.2%). Our intercontinental hub at Leipzig/Halle Airport plays a major role in making this possible. Each working day some 60 aircraft take off and land there and around 1,500 tonnes of freight are handled. We maintain connections to 46 countries on three continents with more than 27,000 city pairs between Europe, the Middle East and Africa.

At the end of 2009, we announced our intention to relocate the central functions from our head offices in Brussels to offices in Bonn, Leipzig and Prague in order to leverage synergies.

A.42 European international express market, 2008[1), 2)]: top 5

Market volume: €14,018 million



1) Covers the express products TDI and DDI.
2) Country base: AT, BE, CH, CZ, DK, ES, FR, GE, IT, NL, NO, PL, SE, UK.
Source: MRSC.

DHL dominates Asian express market

Asia remains the growth driver even in times of crisis. This is especially true in the manufacturing sector, which is responsible for the majority of international exports and express shipments. In China, Korea and Taiwan, manufacturing has already reached pre-recession levels. Government economic initiatives have given a significant boost to this recovery, as has been the case in other major economies.

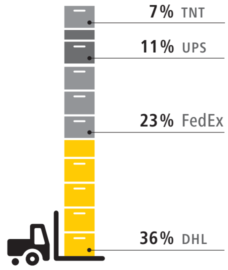
In 2009, we were able to increase our market share by two percentage points to 36%. In April, we opened new gateways in Taipei (Taiwan) and Incheon (South Korea). All in all, we have invested more than €1.9 billion in our regional infrastructure in the past few years and will continue to invest in Asia's core markets in the future.

DHL is one of the most well-known brands in the air freight and courier services industries in Asia. Reader's Digest, for instance, honoured us with its Trusted Brands Award 2009.

In the year under review, we greatly expanded the reach of our Time Definite network: we now offer our premium pre-12.00 noon delivery service for an additional 3,000 trade lanes. Our international presence, which has been strengthened by our trans-Pacific partnership with Polar Air, is complemented by our operations in key Asian domestic markets. In India, for example, Blue Dart's domestic, ground-based transport services saw encouraging growth.

A.43 Asia Pacific international express market, 2008[1)]: top 4

Market volume: €5,542 million

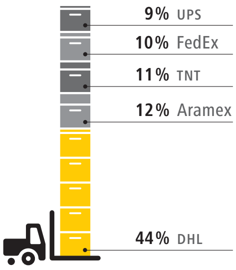


1) Country base: AU, CN, HK, ID, IN, JP, KR, NZ, MY, PH, SG, TH, TW, VN.
Source: MRSC study from 2007, annual reports, press releases, company websites, estimates and analyst reports.

Brands, page 82

A.44 International express market in the EEMEA region, 2008[1]: top 5

Market volume: €682 million



1) Country base: ZA, NG, KZ, RS, RU, UAE, SA, KW, EG, LB, QA, JD, BH, IR, MA.

Source: MRSC study from 2006 and 2008, annual reports, press releases, company websites, estimates and analyst reports.

Service expanded in emerging markets

In the year under review, we increased our market share to 44% in the 89 countries making up the EEMEA region (Eastern Europe, the Middle East and Africa). This region is highly dependent on the consumer goods industry, which made an encouraging recovery in the second half of 2009, particularly in Russia, South Africa and the United Arab Emirates as well as a number of other emerging economies. We were able to improve our Time Definite services significantly, delivering to over 20% more business addresses prior to 12.00 noon than in the previous year in a region that presents enormous infrastructure challenges. Now, 67% of customers receive this delivery service.

In Russia, we set up Servicepoints in Saint Petersburg in co-operation with BP. Furthermore, we had the opportunity to showcase our outstanding services by providing express services at the Moscow Fashion Week, which took place in September.

We expanded Day Definite road transport in the Middle East, North Africa and Turkey, where DHL is the only ISO-certified (10002:2004) express service provider. By investing in infrastructure and quality, we were able to win new contracts in the automotive sector and the consumer goods industry.

With respect to governance, we have consolidated the Asia Pacific and EEMEA regions at our offices in Singapore.

QUALITY

Service advantage

In the express business, customers consider on-time delivery an important indicator of quality. That is why we leverage a system to standardise and monitor the processes throughout our entire organisation. We can use it to determine on-time delivery, analyse delays in individual processes and establish ways to deliver to customers even more quickly.

Consistently high quality of service is crucial for a global network operator. We have therefore developed an operations performance monitoring system that we use to measure and improve the quality of our services. This allowed us to maintain quality at the previous year's level in the reporting year in spite of restructuring and cost cuts. We even improved delivery and pickup performance.

We are able to track shipments worldwide and dynamically adjust our processes using state-of-the-art quality control centres. Should unforeseen events occur, flight and shipment routes, for example, are altered immediately in order to ensure that shipments reach their recipients at the agreed time.

The health and safety, financial compliance and service quality of our facilities are reviewed regularly. In addition, more than 165 locations have been certified by the Transported Asset Protection Agency (TAPA), one of the world's most acknowledged safety associations. We are currently designing a quality management system that will unify our numerous certifications in accordance with ISO, TAPA and the Customer Centre of Excellence.

STRATEGY AND GOALS

In 2009, economic output dropped sharply nearly everywhere due to the recession. The transport industry, which depends heavily on exports, was hit particularly hard. We armed ourselves against this development by cutting costs and increasing efficiency in our operations and back offices, resulting in savings of approximately €1 billion in direct and indirect costs, excluding the USA. In addition, the cost base of our US activities was reduced by more than €2.4 billion as a result of our restructuring efforts. These are important requirements for achieving our goal to remain the first choice in the international express business, across all products and regions. Our strategy is based on the following three pillars:

Steadily improving customer service

The overriding goal of our endeavours in the field of express delivery is to satisfy our customers. With the help of our Group-wide First Choice programme, we work to ensure that we meet our customers' high demands for speed, reliability and cost efficiency. Using standardised systems and processes, we have increased the productivity of our sales organisation and thus significantly lowered costs. We also called and visited our customers more frequently in person. The fact that we have become better is evidenced by the more than 120 awards we received from external experts in 2009, including renowned awards such as China Best Call Centre, Best Manager and Best Agent.

The service at our customer service centres is tested and evaluated by our own employees as part of our mystery shopper programme. We also conduct customer satisfaction surveys on a regular basis to help us adapt quickly to customer needs and requirements.

Increasing profitability and productivity

The core element of our strategy is our International Time Definite air traffic network. We offer competitive pricing and first-rate service on all the major trade lanes. As a profitable express service provider, we are constantly optimising our performance standards and our costs in order to expand our market leadership. Specifically, this means:

- **Lowering operating costs.** We are improving processes and fleet management through a variety of global, regional and local initiatives. Our costs per unit have dropped by around 12% as a result. To reduce indirect costs, we have streamlined our structures considerably and have continued to standardise processes.
- **Integrating IT platforms.** We have standardised numerous systems in all regions in order to optimise interfaces and maintenance costs. In the USA, for instance, we replaced 400 legacy systems with 100 global applications, reducing not only current IT costs but future costs as well. We also adapt our technology to the needs of our customers. Today, more than 50,000 customers can track their shipment status online and by mobile telephone in more than 40 countries using our ProView e-commerce solution. In 2010, we will make our e-commerce applications even more user-friendly and easily accessible.

- **Optimising processes.** Under the umbrella of our Global Standard Operating Procedure Programme, we define worldwide process standards for our entire supply chain, from pickup to delivery. Internally, we make regular checks of whether these standards are being adhered to. Our staff are also developing systems to increase efficiency. In Berlin, for instance, the Smart Truck has been in use since March 2009. This vehicle is equipped with a dynamic route calculation program that allows the driver to react quickly to traffic situations and customer requests.
- **Streamlining the portfolio.** In order to increase our profitability and sustain it, we regularly examine our product and business portfolio with an eye towards divesting unprofitable products and markets. Therefore, we decided to sell our DDD business in the UK to Home Delivery Network. Sustainable market leadership in our TDI and Same Day Express service will remain our focus in the UK, and we are looking for potential buyers of our DDD business in France. We are confident that these are the right and necessary steps to ensure the competitive edge of our local British and French units and of DHL Express in general.

Strengthening our corporate culture

Our employees represent our main competitive advantage. We promote our principle of Respect and Results as part of our corporate culture and have made it our aim to be amongst the most attractive employers wherever we operate. In the Americas region, for instance, we have already won several prestigious awards for Best Place to Work. Employee turnover continues to decline in this region.

REVENUE AND EARNINGS PERFORMANCE

Revenue and shipment volumes decline in 2009

Revenue in the EXPRESS division declined by 24.4% in 2009 to €10,312 million (previous year: €13,637 million). Exchange rate losses impacted revenue in the amount of €198 million. Measured in local currencies and adjusted for acquisitions, the decline in revenue amounted to 24.0%. This was due in large part to our exit from the domestic express business in the US, lower volumes and lower fuel surcharge revenues. Outside the USA, revenue in local currencies was down by 11.8% after adjustment for acquisitions.

Daily shipment volumes dropped on the whole in 2009 compared with the previous year. The decline amounted to 9.4% in the TDI product line and to 1.1% and 0.7%, respectively, in the TDD and the DDD product groups outside the USA. Although the global recession impacted our business in the first three quarters, daily shipment volumes recovered somewhat in the fourth quarter, levelling out at nearly the previous year's level in the TDI product line and increasing by 3.5% and 3.4%, respectively, in the TDD and DDD product groups outside the USA.

Whilst the economic trend had a severe impact on shipment volumes, we managed to absorb the effects of our exit from the domestic US business.

A.45 EXPRESS: revenue by product

€m per day	2008 adjusted	2009	+/–%	Q4 2008 adjusted	Q4 2009	+/–%
Total						
Time Definite International	26.7	22.3	–16.5	26.2	24.3	–7.3
Time Definite Domestic	9.0	4.3	–52.2	7.5	4.7	–37.3
Day Definite Domestic	9.4	6.8	–27.7	8.6	7.1	–17.4
Excluding the USA						
Time Definite International	23.7	20.3	–14.3	23.6	21.9	–7.2
Time Definite Domestic	4.2	4.3	2.4	4.7	4.7	0.0
Day Definite Domestic	7.5	6.9	–8.0	7.7	7.1	–7.8

A.46 EXPRESS: volumes by product

thousands of items per day	2008 adjusted	2009	+/–%	Q4 2008 adjusted	Q4 2009	+/–%
Total						
Time Definite International	510	462	–9.4	496	487	–1.8
Time Definite Domestic	1,201	568	–52.7	955	592	–38.0
Day Definite Domestic	1,271	816	–35.8	1,082	880	–18.7
Excluding the USA						
Time Definite International	458	423	–7.6	449	445	–0.9
Time Definite Domestic	568	562	–1.1	570	590	3.5
Day Definite Domestic	820	814	–0.7	851	880	3.4

Europe business suffers from lower volumes and weights

Revenue dropped by 15.5% in the Europe region to €5,603 million (previous year: €6,631 million). This included exchange rate losses of €196 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 12.9%. Our Europe business suffered in the wake of the recession from a drop in volumes in the TDI product line and from lower weights in the DDD product group. Daily shipment volumes in TDD and DDD began recovering in the fourth quarter and closed the quarter with a slight increase.

Costs reduced considerably in the Americas region

Since February 2009, we have no longer been offering a domestic express product in the United States, and we have massively reduced our cost basis there. Restructuring in the US continued on schedule in the year under review and resulted in a total expense of €495 million. Revenue in the Americas region, which includes the USA, and the other regions of the Americas (Latin America, Canada and the Caribbean), slipped by 58.6% to €1,473 million (previous year: €3,559 million). This figure includes exchange rate losses of €3 million. Measured in local currencies, revenue fell by 58.5%. Outside of the USA, revenue fell organically by 12.0% compared with the prior year. The daily shipment volumes for TDI in the USA dropped by 25.3% on account of the recession and our restructuring initiatives, a smaller reduction than anticipated.

Lower volumes in Asia Pacific

Including exchange rate gains of €42 million, revenue in the Asia Pacific region decreased by 6.0% to €2,580 million (previous year: €2,746 million). Revenue declined organically by 9.4%, mainly attributable to lower fuel surcharge revenues and the lower volumes resulting from the economic downturn. This figure has been adjusted for currency effects and acquisitions, particularly in the domestic Chinese express business and in Australia. Daily shipment volumes in 2009 in the TDI and TDD product lines were slightly below the previous year's level. The trend in the fourth quarter reversed for these products as well, with TDI and TDD volumes rising year-on-year.

Domestic volumes remain steady in the emerging markets

In the EEMEA region (Eastern Europe, the Middle East and Africa), revenue decreased by 10.4%, from €1,176 million in 2008 to €1,054 million in 2009. This figure contains exchange rate losses of €40 million. The revenue decline amounted to 7.0% in local currencies. Whilst daily shipment volumes for TDI faded in line with the economy in the reporting year, domestic volumes in 2009 remained stable year-on-year boosted by business growth in the Middle East and Africa.

Strict cost management reflected in earnings performance

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.

The division's EBIT improved in the year under review, rising by 63.2% to €–807 million for full-year 2009 (previous year: €–2,194 million) and by 83.0% to €–375 million for the fourth quarter (previous year: €–2,206 million). Adjusted for restructuring costs (€1,045 million; fourth quarter: €537 million), EBIT in 2009 was €238 million (previous year: €164 million) and €162 million in the fourth quarter (previous year: €66 million), up €96 million year-on-year.

The restructuring of our business is continuing to make progress, resulting in an encouraging improvement in earnings despite the poor economic climate. In the United States in particular, we were able to sharply reduce our loss before non-recurring items. US earnings for the year as a whole were in line with projections. In the fourth quarter, we largely achieved our goal of reducing the annualised loss in the USA to less than US$400 million.

Outside the USA, EBIT before non-recurring items decreased from €1,118 million to €692 million due to a decline in international and domestic shipment volumes. We were able to compensate for this trend in part through strict cost management.

We improved payment terms with our suppliers and customers via consistent working capital management. However, the costs for restructuring the US business offset the improvements in EBIT before non-recurring items, in working capital and through lower capital expenditure.

Operating cash flow, which includes net cash used for restructuring and the losses in the US, fell accordingly year-on-year from €263 million to €–459 million.

GLOBAL FORWARDING, FREIGHT

Regions	Locations	Products
Global Forwarding	**Global Forwarding**	**Global Forwarding**
Europe, Americas, Asia Pacific, the Middle East and Africa > 150 countries and territories	> 810 branches	Air freight Ocean freight Industrial projects Transport management
Freight	**Freight**	**Freight**
Europe, CIS, Middle East, Northern Africa > 53 countries	> 160 branches	Full truckload Part truckload Less than truckload Intermodal transport

BUSINESS UNITS AND MARKET POSITIONS

Global and individual transport solutions

With its Global Forwarding and Freight business units, DHL is the world's largest provider of air and ocean freight services and one of the leading overland freight forwarders in Europe and the Middle East. We develop global and individual transport solutions for our customers, provide capacity and co-ordinate the dispatch of goods and information in more than 150 countries. To do so, we rely on the competence of around 39,000 employees along with reliable partners.

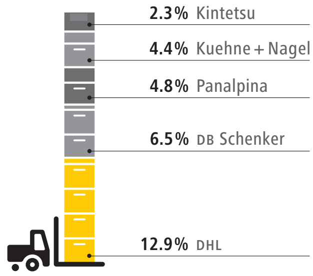
We broker between our customers and freight carriers and combine their orders in order to reach a volume that allows us to secure cargo space and charter capacity from airlines, shipping companies and freight carriers at competitive prices. We also make use of the air freight capacity of our EXPRESS division. Since we purchase transport services rather than providing them ourselves, we are able to operate our business with a very low level of fixed assets.

World market leader in air and ocean freight

DHL Global Forwarding is the industry leader in air and ocean freight. Around 29,000 employees work to ensure that shipments of all kinds are transported to their destination by air or by sea. We also support our customers by providing special transport-related services: we store, collect and deliver the goods, handle customs formalities, insure the load and supply information. In this way, we ensure safety and reliability even across national borders. Our customers come from companies of all sizes. They operate primarily in the technology, pharmaceutical, automotive, manufacturing/mechanical engineering, fashion and consumer goods sectors. We also plan and implement industrial projects worldwide, in particular for the oil and energy industry. To an increasing extent, we also contract for transport management services in order to combine all means of transport for our customers with the goal of reducing complexity, improving quality and lowering costs.

A.47 Air freight market, 2008: top 5

Market volume: 19.0 million tonnes[1)]



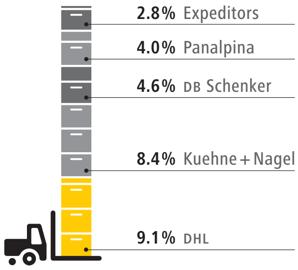
1) Data based solely on export freight tonnes.

Source: Global Insight. Global Trade Navigator, annual reports, press releases and company estimates.

Economic parameters, page 20
Glossary, page 224

A.48 Ocean freight market, 2008: top 5

Market volume for forwarding:
31.7 million TEU[1),2)]

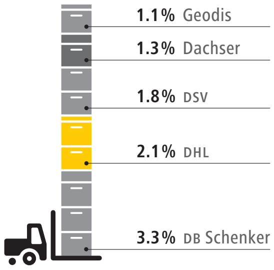


1) Estimated part of overall market controlled by forwarders.
2) Twenty-foot equivalent units.

Source: Global Insight, Global Trade Navigator, annual reports, press releases and company estimates.

A.49 European road transport market, 2008: top 5

Market volume: €169.4 billion[1)]



1) Country base: total for 20 European countries, excluding bulk and specialties transport.

Source: MRSC market studies in 2008 and 2009, Eurostat 2008, annual reports, press releases, company websites, estimates and analyst reports.

DHL remains leader in an air freight market seriously affected by the crisis

The decline in global trade volume had an especially serious effect on the air freight market. IATA reports a 10.1% decline in market volume measured in freight tonne kilometres, whilst DHL registered a decline of approximately 13%. A direct comparison of these two figures, however, cannot be made because the IATA figures do not include data on charter flights and non-IATA carriers like CargoLux. DHL remains the market leader in both cases.

Increased global presence in ocean freight market

We are the global leader in both less-than-container-load (LCL) and full-container-load (FCL) shipments. However, the ocean freight business also suffered from the sharp drop in world trade. According to our estimations, the market volume decreased between 12% and 13% in 2009. By contrast, our volumes only declined by roughly 9%, which allowed us to increase our market share.

Market share stabilised in European overland transport

DHL Freight is the second-largest overland freight forwarder in Europe and the Middle East, with approximately 10,000 employees and services in more than 53 countries. We see ourselves as a broker of freight capacity. In the overland transport business, we provide full-truckload, part-truckload and less-than-truckload services. We also offer intermodal services with other carriers, especially rail transport companies. Moreover, our range of services includes handling customs formalities and providing insurance.

DHL is also one of the leading providers of trade fair, exhibition and event logistics. Our range of services includes trade fair transport and customised full-service solutions for exhibitors, event organisers, event management and staging companies and event agencies.

In 2008, the European market for road transport grew by 1.3% (previous year: approximately 4.2%) even though the financial crisis had begun affecting the entire transport industry in the fourth quarter of 2008. The decline in demand continued in the first half of 2009, amounting to an average of 20% to 25% on the previous year. Overcapacity also put pressure on freight rates, although conditions began easing in mid-2009. Still, total quantities transported dropped by nearly one-sixth during the year under review. We were able to stabilise our market share at 2.1% according to our calculations.

QUALITY

The advantage of customer proximity

We measure the quality of our services by the level of satisfaction of our customers. During the reporting year we again focused our attention on customers, surveying more than 15,000 of them in over 50 countries. We then generated some 600 measures based on the results. We often work out improvements in conjunction with our customers, using the Six Sigma method upon which our First Choice programme is based. With one of our key ocean freight customers, for instance, we co-operated to reduce its lead time by 63%, from 45 to 16.5 days. More than 1,000 of our executives have become certified in the First Choice methodology which allows us to increase quality even more rapidly.

The various awards we have received testify once again to the success of our endeavours for even better quality. One of these was received from a key account in the technology sector, Huawei, which presented us with the Excellent Core Partner Award for outstanding cross-sector services for the second time in a row. We were the only logistics company to be given this award. Supply Chain Asia, a logistics magazine, once again named us Air Freight Forwarder of the Year and Best Logistics Provider of the Year in India. All in all, our customers attest to the fact that the quality of our product offering has improved. Customer satisfaction increased on average compared with the previous year.

STRATEGY AND GOALS

We are well positioned in our markets thanks to our product offering in air, ocean and road transport. Our goal is to achieve steady, organic growth in excess of the market average. To this end, we pursue three approaches:

Bolstering our presence in growth markets

We are fine tuning our network in areas where we see the greatest growth opportunities, particularly in Asia, the Middle East, Africa and Latin America. In 2009, for instance, we added four countries to our African network and opened 19 new locations in China and our own offices in Pakistan. We are also adding transport and charter agreements to our range of services on the expanding trade lanes that connect these regions. In our ocean freight business, we are enlarging our tightly woven LCL network, which at present offers approximately 1,000 routes per week.

Creating sector-specific solutions

We develop transport solutions that meet the needs of specific industries. In the year under review, these mostly focused on the fashion and apparel, oil and gas, wine and spirits, pharmaceuticals and technology industries. Together with industry experts, we have set up competence centres for the fashion and apparel industry in key Asian markets such as India, Vietnam, Cambodia and Hong Kong. We maintain similar facilities for the oil and gas industry in Singapore and Houston.

Modernising our infrastructure

We are investing in a networked IT infrastructure and new technologies. We offer customers in the retail sector and consumer goods industry a complete overview of their procurement and ordering processes at every link of the supply chain.

REVENUE AND EARNINGS PERFORMANCE

Satisfying development in freight forwarding business

The GLOBAL FORWARDING, FREIGHT division generated revenue of €10,870 million in 2009, a year-on-year decline of 23.3% (previous year: €14,179 million). The total was impaired by exchange rate losses of €97 million. Revenue shrank organically by 22.7% in the reporting period. We are satisfied with our business performance in 2009 in view of the difficult sector environment.

The Global Forwarding Business Unit generated revenue of €7,891 million, down 25.5% year-on-year (previous year: €10,585 million). The decrease was 25.0% after adjustment for exchange rate losses of €45 million. As a result of the global recession, air and ocean freight rates fell to historic lows in the first half of 2009. We were therefore able to purchase lower-cost transport and in turn limit the decrease in our gross profit, which fell a total of 12.6% year-on-year to €1,943 million (previous year: €2,222 million).

Volume decline stabilises in the second half of the year

Although cumulative transport volumes for 2009 were below the prior-year level, volumes stabilised in the third and fourth quarters.

Air freight volumes (exports) in the reporting year were down 13.2% on the prior year. In the fourth quarter, however, they registered an increase of 12.5%, or 20% more than in the third quarter of 2009, which had also seen an improvement. Air freight revenue for 2009 fell by 26.6% year-on-year due to lower fuel surcharges and freight rates in the first half of the year. In particular, results on trade lanes from northern Asia were weaker than in the previous year. Our business in the Middle East and Africa remained robust.

A.50 Global Forwarding: revenue

€m

	2008	2009	+/– %	Q4 2008	Q4 2009	+/– %
Air freight	5,388	3,957	–26.6	1,341	1,209	–9.8
Ocean freight	3,418	2,450	–28.3	924	621	–32.8
Other	1,779	1,484	–16.6	479	378	–21.1
Total	**10,585**	**7,891**	**–25.5**	**2,744**	**2,208**	**–19.5**

A.51 Global Forwarding: volumes

thousands

		2008	2009	+/– %	Q4 2008	Q4 2009	+/– %
Air freight	tonnes	4,291	3,734	–13.0	1,007	1,135	12.7
of which exports	tonnes	2,437	2,116	–13.2	569	640	12.5
Ocean freight	TEU[1]	2,882	2,615	–9.3	754	687	–8.9

1) Twenty-foot equivalent units.

In ocean freight, we outperformed the market in a year-on-year comparison. Our volume declined 9.3% compared with the 12% to 13% drop in the market. As a result of the rate decrease, our revenue dropped 28.3% in the reporting year. In the Middle East, Africa and the South Asia Pacific region, our business trend was encouraging.

The industrial project business continued to perform well in the reporting period, effectively matching the strong level of the prior year.

Transport capacity was reduced substantially in the last few months of the year, which resulted in air and ocean freight transport services becoming significantly more expensive. However, we have not yet been able to pass on all of these higher costs to our customers. The increase in freight rates, particularly for air freight, impacted our gross profit margin in the fourth quarter. Profit from operating activities (EBIT) fell year-on-year in line with the difficult economic situation.

European overland transport business sees revenue decline

The Freight Business Unit reported revenue of €3,065 million in the year under review, down 17.4% year-on-year from €3,710 million. Adjusted for exchange rate losses of €54 million, revenue shrank organically by 15.9%. Gross profit was €846 million and thereby below the previous year (€955 million). Countries that rely extensively on the automotive sector registered especially sharp declines.

Operating cash flow and net working capital trend encouraging

The prior-year figures for 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.

Division EBIT was €191 million in the year as a whole (previous year: €362 million) and €23 million in the fourth quarter (previous year: €73 million). Adjusted for restructuring costs (€81 million; fourth quarter: €44 million), EBIT before non-recurring items was €272 million in full-year 2009 (previous year: €403 million) and €67 million in the fourth quarter (previous year: €114 million). We have continuously reduced operating and indirect costs by means of restructuring and cost reduction programmes. Moreover, our sales team was successful in generating new business.

Thanks to strict cost management, we maintained operating cash flow at a high level in 2009 (€528 million; previous year: €630 million). In the fourth quarter, however, operating cash flow was impacted by restructuring costs.

Net working capital performed very well in 2009, amounting to €271 million (previous year: €514 million). This allowed us to compensate in part for the effect of the decline in earnings on operating cash flow.

SUPPLY CHAIN

Supply Chain logistics solutions	Supply Chain sectors	Williams Lea services
Warehousing Distribution Managed transport services Value-added services (e.g., packaging, technical services, procurement)	Consumer Retail Technology Life Science & Healthcare Automotive Energy Airline Business Solutions	Office Document Solutions Customer Correspondence Management Marketing Solutions

BUSINESS UNITS AND MARKET POSITIONS

Consistent branding of all DHL units

In the first quarter of 2009, we renamed the SUPPLY CHAIN/CORPORATE INFORMATION SOLUTIONS division in order to provide a consistent branding for all DHL units. It is now called the SUPPLY CHAIN division and houses the Supply Chain and Williams Lea business units.

Customer-focused Global Supply Chain solutions

We provide many industry sectors with customer-focused solutions that span the entire supply chain. By offering warehousing, distribution, managed transport and value-added services, we ensure that products and information reach markets faster and more efficiently, and create competitive advantage for our customers.

Our Supply Chain business is organised into four geographic regions. With local insight and global scale, we serve customers in more than 60 countries providing support for complex business transformations.

Our Williams Lea Business Unit is an expert in outsourcing corporate information management. Solutions include Office Document Solutions, Marketing Solutions and Customer Correspondence Management. We offer these solutions for customers in the financial, retail, consumer goods, pharmaceutical, publishing and public sectors. For example, we provide printing services for Wal-Mart in the USA, readying much of the company's circular advertising inserts for distribution in newspapers or as direct mailings. This four-year contract, signed in mid-2009, covers most of their circular print needs and related logistics services.

Industry sector expertise

We have defined seven key strategic industry sectors for our Supply Chain business: Consumer, Retail, Technology, Life Science & Healthcare, Automotive, Energy and Airline Business Solutions. Each sector is managed by a dedicated sector head who is supported by a global team of experts that handle customer projects and develop sector-specific supply chain solutions.

Consumer and Retail are our highest revenue sectors and remain our priority growth areas. Here we manage customer supply chains from the source of supply to the retail shelves. Flexibility, reliability and cost efficiency are key value drivers for our services in these sectors, which range from international inbound to warehouse and transport management to packaging and other value-added services.

Customers in the Technology sector require fast, flexible and efficient supply chains, and the demand for integrated product and service parts logistics is increasing. We help our customers improve their cost structures, especially in these difficult economic times. Our product portfolio ranges from inbound-to-manufacturing services to warehousing and distribution to integrated packaging, returns management and technical service solutions.

Glossary, page 224

We see good business opportunities in the Life Science & Healthcare sector because the supply chains and business processes in many parts of the world are immature and the pressure to increase efficiency in this industry sector whilst reducing costs is constantly on the rise. We developed, for example, a successful supply chain model for the British National Health Service (NHS) that aims to generate savings for the NHS of approximately €1 billion over 10 years. Our services include the procurement and distribution of medical supplies in the UK.

The global financial crisis hit the automotive industry harder than most. It is because of this that our Automotive sector team focuses primarily on adapting our services to the changed structural environment and on enhancing our unique services.

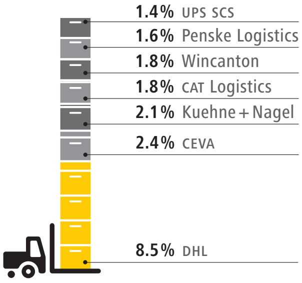
In the fast-growing Energy sector, we team up with other DHL units to provide integrated logistics solutions for both the build and run phases of major energy projects. For example, we operate one of the world's largest fourth-party logistics services in Oman, transporting cargo and water and co-ordinating the movement of about 40 land-based oil rigs a month. We anticipate a strong increase in demand for energy as well as more regulation in terms of sustainability, both of which will most likely drive demand for our services.

Glossary, page 224

A new sector we are focusing on is Airline Business Solutions, which we defined based on our activities in the aviation industry with customers such as airlines, airport operators and aircraft manufacturers. In 2009, we won a new contract with British Airways to provide catering and logistics for short-haul flights from Heathrow Airport, a contract that positions us at the innovative forefront of this sector.

A.52 Contract logistics market, 2008: top 7

Market volume: €147 billion[1)]



1) These figures cannot be compared with those of previous years because the institute compiling the data and the compiling method have changed.

Source: Transport Intelligence.

Global market leader in contract logistics

DHL Supply Chain is the global market leader in contract logistics with a market share of 8.5% (2008). In this highly fragmented market the top 10 players only make up about 23% of the overall market, the size of which is estimated to be €147 billion. Whilst we are the leading contract logistics provider in our largest markets, North America and Europe, we face strong competition from local suppliers in all regions, especially in the fast-growing Asia Pacific market. We are confident that we can leverage our global expertise and good relationships with multinational corporations in order to expand our business in these markets.

Our Williams Lea Business Unit leads the market in outsourcing information management. This market is also highly fragmented and consists largely of specialists offering either a very limited set of services or occupying exclusive niches. Thanks to our broad range of international services and long-lasting customer relationships, we were able to build on our market leading position. In addition, we are leveraging DHL's excellent customer relationships to win new business for Williams Lea.

QUALITY

Driving new business from improved customer satisfaction

Our goal is to lead the supply chain industry in quality practices and methodologies that are recognised as providing the highest level of service and value to our customers. Our First Choice initiatives are the approach to achieving those goals.

We have developed globally consistent processes which underpin our efforts to deliver standard, replicable solutions and service standards to our customers around the world. These leading industry practices work to ensure that customer experience is at a consistent, high level.

Dedicated teams of project managers in each of our regions are trained in leading project management methodologies and employ a standard set of tools. Our process improvement advisors held approximately 1,300 workshops in 2009. Often working together with customers, action plans were developed to reduce costs and improve performance in these workshops, which were documented and put into practice throughout the year.

Corporate responsibility, page 76 f.

We have defined a number of key indicators which we use to measure the performance and quality of our warehouse and transport management operations including safety, productivity and inventory accuracy. Carbon efficiency is one of those key performance indicators we measure at all sites globally on a monthly basis in an effort to achieve our goal of improving carbon efficiency as part of our systematic climate protection programme, GoGreen. Carbon efficiency projects have been implemented and tracked across the business, including energy-efficient lighting in all regions, GoGreen office implementation at 24 offices globally, and the Switch Off employee engagement campaign. We have focussed on road fleet performance, for example in the UK, where we have introduced speed limits, aerodynamics, driver training and other programmes to reduce fuel consumption.

STRATEGY AND GOALS

Profitable growth in all markets

In the future we will continue to take advantage of our capabilities and competencies to build on our leading market position. Our goal is to achieve long-term profitable growth in all of our markets and to supply high-quality services. In order to improve our profitability, we will continue the 5 to Thrive programme which was launched in early 2009 and which aims to reduce costs and enhance operational excellence.

Long-lasting partnerships with customers

We strive to build lasting partnerships with our customers, and we intend to position ourselves as a leading innovator in contract logistics. The end-to-end outsourcing solutions we offer for the NHS and British Airways are examples of how we will accomplish this.

Improving processes – always

We aim to develop and launch new products in each sector we focus on. We strive for operational excellence by continuously examining and improving our processes and by applying our best practice project management methodologies. We are always looking to improve the performance of our sales organisation and our operational platform. For instance, in 2009 we launched a rationalisation programme to reduce the number of IT systems and thereby lower maintenance, installation and training costs.

REVENUE AND EARNINGS PERFORMANCE

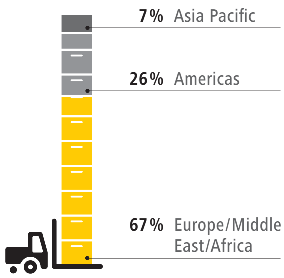
Economic crisis impacts customer business

SUPPLY CHAIN division revenue for full-year 2009 declined by 8.8 % to €12,507 million (previous year: €13,718 million). Fourth-quarter revenue decreased by 8.8 % to €3,223 million (previous year. €3,535 million). Organically, the drop in revenue amounted to approximately 6 % for both the year as a whole and the fourth quarter. This figure excludes currency translation effects of €–399 million for the reporting year and €–103 million in the fourth quarter. We declined to renew, or exited, a number of underperforming contracts, which will help us to improve our EBIT margin. Around 21 % of the organic revenue decline was attributable to these measures to streamline the portfolio, which had little impact on EBIT.

The Supply Chain Business Unit generated revenue of €11,302 million (previous year: €12,469 million). This represented a reduction of 9.4 %, or 6.6 % on an organic basis. Most regions and sectors were impacted by lower customer volumes due to the economic downturn. In the Americas region, the largest impacts were seen in the Automotive, Technology, Home Delivery and Transport Management sectors. In Germany, revenue fell in the second half of 2009 following the Arcandor insolvency. By contrast, in the United Kingdom the revenue trend was positive due, above all, to growth in the Healthcare sector.

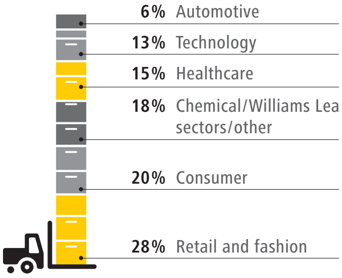
A.53 SUPPLY CHAIN, 2009: revenue by region

Total revenue: €12,507 million



A.54 SUPPLY CHAIN, 2009: revenue by sector[1)]

Total revenue: €12,507 million



1) Sectors as reported in 2009.

Williams Lea revenue was €1,206 million in 2009 (previous year: €1,243 million). This represented a reduction of 3.0%, which was due to exchange rate movements. Organically, revenue increased by 0.6%. Reductions in revenue from volume decreases were mitigated by new business wins and the successful diversification from the Financial Services sector.

Encouraging business wins in a difficult market

Additional contracts with existing and new customers totalling €1.1 billion in annualised revenue were signed by the Supply Chain Business Unit in 2009 despite the turbulent market conditions. Airline Business Solutions is a new sector we are focussing on following the contract won with British Airways. The contract renewal rate remained constant at above 90% throughout the year.

Williams Lea also had a number of encouraging large new business wins including contracts with Wal-Mart in the USA and a major European electronics company, both sizeable existing DHL customers.

Earnings impacted by Arcandor insolvency and non-recurring charges

The prior-year EBIT figures were adjusted as we no longer report the return on plan assets in connection with pension obligations as part of EBIT. It is now reported under the Group's net finance costs/net financial income.

The division reported a loss from operating activities (EBIT) of €208 million for full-year 2009 (previous year: loss of €920 million). The fourth quarter loss amounted to €171 million (previous year: loss of €1,069 million). In 2009 restructuring costs of €87 million were incurred across the business units in the division, €73 million of which in the fourth quarter alone. As a result, the loss from operating activities (EBIT) before non-recurring items amounted to €121 million for full-year 2009 and €98 million for the fourth quarter. The insolvency of Arcandor resulted in a charge of €213 million for full-year 2009 (fourth quarter: €48 million). EBIT before non-recurring items has not been adjusted for this charge. Further costs of €97 million were incurred in Europe for employee termination, other liabilities and impairment charges relating to legacy properties in 2009. The year 2008 had been impacted by write-downs on the value of the Exel brand, on goodwill and by restructuring, which altogether totalled €1,116 million. Return on sales improved to –1.7% (previous year: –6.7%). The difficult trading conditions were mitigated by restructuring initiatives and savings in indirect costs.

Strong operating cash flow of €432 million (previous year: €481 million) was generated, in part thanks to a reduction in working capital of €98 million.

NON-FINANCIAL PERFORMANCE INDICATORS

EMPLOYEES

Decrease in number of employees

Our employees, working in over 220 countries and territories, represent the success of Deutsche Post DHL. As at 31 December 2009, we employed 424,686 full-time equivalents, 5.9% fewer than in the previous year. The decrease was primarily due to our restructuring activities in the wake of the recession and resulted in a decline in staff costs of 7.4% to €17,021 million (previous year: €18,389 million).

A.55 Number of employees (continuing operations)

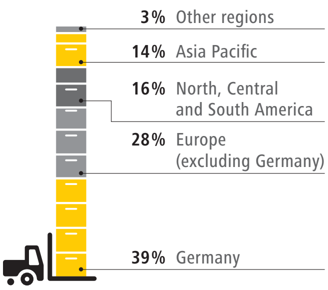
	2008	2009	+/– %
At year-end			
Headcount[1]	512,536	477,280	–6.9
Full-time equivalents[2]	**451,515**	**424,686**	**–5.9**
of which MAIL	142,674	143,042	0.3
EXPRESS	108,275	96,520	–10.9
GLOBAL FORWARDING, FREIGHT	41,499	38,859	–6.4
SUPPLY CHAIN	143,786	132,367	–7.9
Corporate Center/Other	15,281	13,898	–9.0
of which Germany	167,816	166,880	–0.6
Europe (excluding Germany)	136,649	120,074	–12.1
Americas	78,212	66,833	–14.5
Asia Pacific	55,182	57,897	4.9
Other regions	13,656	13,002	–4.8
Average for the year			
Headcount	511,292	488,518	–4.5
of which hourly workers and salaried employees	456,149	435,072	–4.6
Civil servants	51,304	49,691	–3.1
Trainees	3,839	3,755	–2.2
Full-time equivalents	**456,716**	**436,651**	**–4.4**

1) Including trainees. 2) Excluding trainees.

In the MAIL division, the number of employees grew by 0.3% to 143,042. The increase was due to our employing additional temporary workers in order to reduce overtime amongst our core staff and the associated costs. Civil servants seconded to public authorities are now also included in the figure. These two factors more than offset the decrease that resulted from additional productivity increases and the reorganisation of our retail outlet network.

Compared with the previous year, the number of employees in the EXPRESS division fell by 10.9% to 96,520. This was primarily related to the restructuring of our US business. In addition, we were forced to reduce the number of employees as a consequence of the recession, particularly in Europe. In Asia, new employees joined the Group as a result of an acquisition in China.

A.56 Employees by region, 2009[1]



1) Full-time equivalents as at 31 December.

In the GLOBAL FORWARDING, FREIGHT division, the number of full-time equivalents dropped by 6.4% to 38,859. The SUPPLY CHAIN division improved its competitive position by reducing the number of employees by 7.9% to 132,367.

In the Corporate Center/Other segment, staff levels continued to decline, dropping by 9.0% to 13,898. Our cost reduction programme is beginning to take effect, particularly in the indirect functions such as IT and accounting.

The majority of our employees work in Germany, where the workforce has remained stable. In the rest of Europe, the Americas and the remaining regions, staff levels have declined because of the economy and the reorganisation of our US express business. In Asia, the number of employees has increased as a result of an acquisition.

Our aspiration: to be the most attractive employer in our sector

Having dedicated, skilled employees is crucial to the success of Deutsche Post DHL. For this reason, we want to be regarded as a preferred employer wherever we operate. Our new human resources organisation, which we introduced in the middle of the year, will allow us to meet the Group's requirements even more effectively. We have defined five cornerstones for our efforts in human resources: to establish a leadership culture based on our principle of Respect and Results; to motivate our employees even more; to strengthen co-operation within the Group; to promote the growth of our business; and to increase the efficiency of our human resources processes by finding simplifying and sustainable solutions.

Important step: wage agreement reached

On 30 October 2009, we reached agreement with the Verdi trade union on extensive measures to relieve our cost burden and secure the jobs of the approximately 130,000 employees of Deutsche Post AG. According to the agreement, there will be no pay increases in 2010 or 2011. We have also reduced paid breaks during night shifts, suspended payment of overtime premiums and agreed upon additional cost-cutting measures. In return, layoffs have been ruled out until the end of 2011, extending the previous agreement by another six months and securing jobs.

A.57 Illness rate[1]

1) According to a survey of organisational units in Germany.

A healthy and safe workplace

The health and safety of our employees is of great importance to us. To ensure this, we have put a Group-wide system into place, which includes, for example, our Corporate Health Award, with which we recognise exemplary health initiatives each year. In 2009 – as in 2008 – our corporate health management system was awarded the German Corporate Health Award by the European Commission and the BKK *Bundesverband* (German federal association of company health insurance funds). Thanks to our thorough preparations for a potential flu pandemic, we have minimised the risk of our employees contracting the influenza A (H1N1) virus ("swine flu"). At 6.9%, the illness rate in Germany remains at a low level (previous year: 6.6%).

We expanded our Group-wide network of occupational safety experts. Some 200 specialists in 61 countries are able to share their experiences and discuss proven methods and products via an intranet platform. In the year under review, the certification of our occupational health and safety organisation's quality management system was renewed.

A.58 Occupational safety[1]

	2008	2009[3]
Number of workplace accidents[2]	11,987	12,954
Accident rate (number of accidents per 1,000 employees per year)	66	71
Number of working days lost due to accidents (in calendar year)	255,590	273,978
Working days lost per accident	21.3	21.2
Number of workplace-related deaths[4]	2	1

1) Includes employees of Deutsche Post AG.
2) If at least one working day is lost; including accidents on the way to the workplace.
3) As at 5 February 2010, since accidents on the way to the workplace may also be reported after the balance sheet date.
4) Excluding accidents on the way to the workplace.

Our future – the young generation

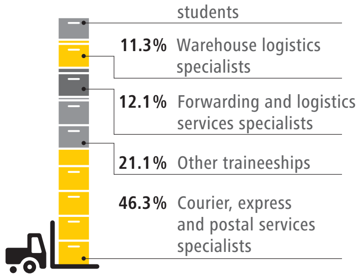
By training young people, we not only secure our future cadres of qualified specialists, we also make a key contribution to society. In 2009, we took on approximately 1,600 trainees and college students in Germany. Our more than 20 traineeships range from courier, express and postal services to air traffic specialists and studies at *Duale Hochschulen* (German universities of co-operative education). We hired nearly 70% of eligible trainees, thus substantially exceeding the figure of 30% of trainees in the classes of 2007 to 2009 stipulated in the training pact made with Verdi.

We foster particularly capable trainees in our top trainee programme. This guarantees the top 5% of all our trainees in Germany (approximately 3,600) a permanent job after successfully completing the programme, which adds incentive for trainees to do their best.

Perspektive Gelb is our programme to give a chance to young people who might not otherwise be offered a traineeship. In 2009, we took on nearly 90% of the 212 participants in the class of 2008, and we offered another 300 openings.

As part of our Group-wide Graduate Opportunities Worldwide (GrOW) programme, we hired 31 university graduates in 2009.

A.59 Traineeships[1,2]



1) All organisational units in Germany.
2) Number of trainees, annual average: 3,755.

Attracting applicants and offering online professional development

We take advantage of the latest technologies to attract and develop people. Our online career portal was again ranked amongst the top three in Germany and in Europe in the Top Employer Web Benchmark 2009 put out by Potentialpark Communications, a market research institute. Each year, we advertise more than 12,000 jobs online. Our online simulator – part of our Discover Logistics initiative – has received a lot of attention. A total of 8,500 participants from 122 countries have signed up for it. This initiative has enabled us to spark the interest of qualified young talent in our sector.

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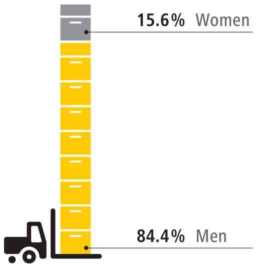
Our online training platform mylearningworld.net is an important part of our education and development concept. 50,000 employees around the world are currently taking advantage of the more than 2,000 courses we offer. In 2009, we introduced language training to the platform. The DHL Freight Forwarding Academy is intended for staff members at the GLOBAL FORWARDING, FREIGHT division. Our employees completed more than 48,000 online courses in 2009 – three times as many as in the previous year. We plan to expand both of these opportunities in 2010.

A.60 Gender distribution in top management[1)]



1) Based on first and second-level executives.

Corporate strategy, page 25 f.

Fostering young talent

We make a special effort to foster qualified and dedicated young talent in order to fill management positions from our own ranks. Our internal placement rate rose to 89.9% in the reporting year, up from 86.9% in the previous year. This rate is based on the grades B to F in our internal performance evaluation system. We offer selected young talent the chance to earn an MBA degree from external business schools alongside their employment. Our programmes, such as Women in Leadership and International Mentoring Programme, foster young female talent in particular. In our International Business Leadership Programme, 100 executives worked on business strategies and enhanced their leadership qualities during the year under review.

We encourage our employees to gather experience in different divisions. In this way, we intend to improve co-operation within the Group as stated in our corporate strategy. In 2009, 19.1% of internal job placements involving top executives were cross-divisional. Our goal is for every second executive at the top two management levels to take advantage of this opportunity to expand their expertise by 2015.

Creating performance incentives

Our new variable incentive and share matching scheme for executives creates substantial leverage for bolstering the performance of our organisation in the long term. It focuses incentives on Group performance, makes executive remuneration more performance based and honours outstanding achievements. We also provide our executives with company shares, thus enabling them to have a direct stake in the success of our company.

Living diversity

The motto of our corporate culture – Living Diversity – is anchored in the Group's code of conduct and is specifically promoted as part of diversity management. Our human resources policy has been repeatedly awarded the rating of TOTAL E-QUALITY by the association of the same name, which aims to ensure that equal opportunity for women and men is incorporated firmly into the business world. One of our goals is for people with a disability to enjoy equal treatment in terms of being able to take part in working life. At Deutsche Post AG, the average annual employment rate is 7.5% of people with a disability (as at 25 January 2010), well above the national average in the German private sector.

Demographic change is putting the spotlight on older workers. Since we know that ageing populations will affect the Group's employment structure in many countries, we are currently identifying areas for potential action and initiating suitable measures. Another of our goals is to offer all employees a discrimination-free work environment, regardless of their sexual orientation or sexual identification.

A.61 Work-life balance[1]

Headcount

	2008	2009
State-regulated parental leave	2,721	2,302
Unpaid holiday for family reasons	2,673	2,559
Part-time employees	71,934	67,010[2]
Share of part-time employees (%)	40.0	38.4

1) Includes employees of Deutsche Post AG.
2) Excluding employees in partial retirement in the release phase.

Our employees' opinions matter to us

We aim to be the first choice for our customers, our employees and our shareholders. To achieve this, we need to know what our employees think of us and where we can make improvements. In September, we conducted our third Group-wide employee opinion survey for this purpose. The response rate remained stable at 76%. In light of the persistent economic crisis, we were pleased to find that 68% of all those surveyed were satisfied with their jobs (previous year: 65%). The figures for our customer promise (70%) and co-operation (72%) were also high. We continue to see room for improvement in the areas of employee survey follow-up measures (45%), communication (56%) and strategy (56%). Based on the results of the survey, we are developing measures to be implemented jointly by executives and staff.

Our executives also rely heavily on our "360-degree feedback". During the year under review, all senior-level executives allowed themselves to be rated anonymously by their superiors, colleagues and staff. We then established rules of conduct for treating each other with respect based on our principle of Respect and Results.

Employee ideas provide added value

In the reporting period, Group employees again submitted many suggestions for streamlining workflows, reducing repair and energy costs, and improving environmental protection, the latter being once again a main focal point. As part of the Save Fuel Idea 2009 competition, employees came up with nearly 7,000 ideas for reducing fuel consumption. In 2010, we would like to integrate our idea management programme even more firmly in our global Group.

A.62 Idea management

		2008	2009
Savings per employee	€	499.98	550.24
Suggestions for improvements	number	218,711	226,993
Accepted suggestions for improvements	number	162,471	178,303
Benefit	€m	265.0	262.6
Cost[1]	€m	12.5	12.0

1) Based in part on estimates.

CORPORATE RESPONSIBILITY

Living responsibility

As the largest company in our industry, we take our environmental and social responsibility seriously. This is why we have chosen Living Responsibility as our motto, which embodies our many initiatives in the areas of environmental protection, disaster management and education that are designed to increase our employees' motivation and their identification with the company as well as to make the Group more well-known and respected and to improve its competitive position.

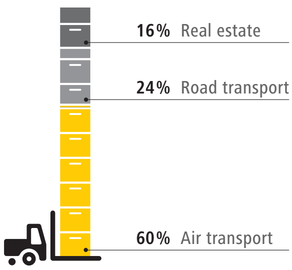
GoGreen – protecting the environment

Our GoGreen programme was developed to establish a systematic approach to achieving our climate protection target. By 2020, we want to improve our carbon efficiency by 30% in comparison with 2007. This also includes emissions generated by the transport services of our sub-contractors, which make up approximately 80% of the Group's total carbon footprint. We are the first globally operating company in our sector to have set a measurable climate protection target. Improving carbon efficiency will also minimise our dependency on limited fossil fuels, reduce cost risks associated with energy and fuels and prepare the Group for a future in which CO_2 emissions will increasingly be subject to pricing.

We determine and calculate our carbon emissions based on the internationally recognised Greenhouse Gas Protocol (GHG Protocol), which distinguishes between direct emissions from sources owned or controlled by an entity (Scope 1) and indirect emissions resulting from the consumption of purchased energy (Scope 2).

A.63 CO_2 emissions, 2009

Total: around 5.6 million tonnes[1)]



1) Scopes 1 and 2.

In the year under review, our Scope 1 and Scope 2 carbon emissions were approximately 5.6 million tonnes (previous year, according to the Sustainability Report 2009, as at April 2009: approximately 6.7 million tonnes). These emissions resulted from our direct use of roughly 520 million litres of fuel (diesel, petrol etc.) and some 1,300 million litres of kerosene. Furthermore, our facilities consumed approximately 3,500 million kilowatt hours of energy (electricity, natural gas etc.).

The decline in emissions was a product of CO_2 reduction and efficiency measures as well as the economic crisis. We also improved the quality of CO_2 data, which we now record via our financial system. Carbon emissions from sub-contracted transport services will be detailed in the next Corporate Responsibility Report, which will also include a statement on our carbon efficiency in 2009.

The GoGreen programme's five action areas

GoGreen is basically the Group's umbrella programme for our environmental activities. The following examples show our progress in the reporting year in our five key areas:

- **Providing transparency.** Since 2009, we have been using our financial system to record data on our carbon emissions. We do this by linking Group-wide invoicing data with data on fuel and energy consumption. Carbon efficiency is already a key indicator in our strategic planning and is one of the criteria we use to make major investment decisions.
- **Increasing resource efficiency.** We are continuously improving the carbon efficiency of our fleet, buildings and networks. To this end, we test options in the area of aerodynamics, drive technology and fleet renewal, optimise our networks, route planning and capacity utilisation, and combine various means of transport. Our sub-contractors are an important key to this process. In 2009, we asked our road transport partners if they were willing and able to report on their carbon efficiency. Based on their response, we developed a survey for the first half of 2010 to help us improve our data quality in this area.
- **Mobilising employees.** A crucial factor in improving our carbon efficiency is the environmental awareness and resource conservation of our approximately 500,000 employees worldwide. In the 2009 Employee Opinion Survey, nearly 60% indicated that their team was making a contribution to saving energy at the workplace. One important measure is encouraging our drivers to drive more efficiently through training programmes, ideas competitions and campaigns.
- **Offering green solutions.** We offer our customers a growing portfolio of green solutions. Since 2009, these have also included international mail products. Mail and parcels sent GoGreen are carbon neutral because the emissions caused by their transport are offset by climate protection projects. We provided these services, for instance, in 2009 in our capacity as the official logistics partner of the UN Climate Change Conference in Copenhagen. In the field of logistics, we have implemented a transport concept together with Bosch and Siemens Hausgeräte GmbH that allows us to redirect each year some 13,000 TEU from roadways to railways.
- **Shaping the political agenda.** In order to protect the environment and the climate, a global political framework is needed that the industrial sector helps to shape and that it will be able to sustain. We have four main policy positions. 1. We support the introduction of a global framework for carbon pricing. 2. We are calling for the development of international, industry-driven standards for measuring carbon at an organisational, product and customer level. 3. We are calling on governments and institutions to incentivise investment in carbon-efficient solutions. 4. We are promoting research and development for more efficient transport solutions.

GoHelp – helping people

We take advantage of our logistics expertise and global presence to provide disaster relief together with strong partners. The partnership with the United Nations is an expression of our social commitment, which we support in numerous projects all over the world.

We work in close co-operation with the Office for the Co-ordination of Humanitarian Affairs (OCHA) to provide logistics support in the aftermath of natural disasters. To save lives, relief goods must be distributed quickly and properly. Our global network of Disaster Response Teams can be deployed within 72 hours to deliver help at airports free of charge. After the earthquake in Haiti in January 2010, our regional DHL Disaster Response Team was in place just two days after the disaster struck. In September 2009, we set up operations at airports in three different locations in Asia following the tropical storms in the Philippines, the Samoan tsunami and the Indonesian earthquake. In November 2009, we provided logistics advice to the local authorities in El Salvador to set up relief operations logistics after Hurricane Ida.

Together with the United Nations Development Programme (UNDP), we operate the programme GARD (Get Airports Ready for Disaster) to prepare local authorities and airport staff for emergency situations. In the year under review, we successfully completed two pilot projects in Indonesia. Further training in high-risk areas of Asia and Latin America are to follow.

Since 2006, we have been supporting the United Nations Children's Fund (UNICEF) in relief projects in Peru, Kenya and India. Our partnership focuses on child survival with an emphasis on healthcare, early child development, diet and hygiene initiatives. By the end of 2009, Deutsche Post DHL had collected sufficient donations equalling funding of 50,000 vaccinations, protecting children against deadly and preventable diseases such as tetanus, diphtheria and polio.

GoTeach – championing education

Education is the third focus area of our commitment to society. With our GoTeach programme, we are striving for improved equality and fair opportunities in education. As founding partner of Teach First Deutschland in Germany, we are promoting the education of less privileged children and young people. Beyond this partnership, we want to strengthen and enhance our educational commitment all over the world.

Our company's performance as reflected by external assessments

In 2009, Deutsche Post DHL was honoured with the German Sustainability Award in the category of Most Sustainable Strategy. In addition, our performance in terms of sustainability was reviewed by qualified agencies. Sustainable management and visible attention to corporate responsibility are becoming more and more important as criteria for making investment decisions on financial markets as well. According to oekom Research AG, the volume of retail funds oriented towards sustainability in 2009 was €29 billion in Germany and even €53 billion in Europe. Sustainable Asset Management gave us a rating of 91 out of 100 points (previous year: 65 points). We scored the highest in the categories of environment, corporate citizenship, social reporting and occupational health and safety. The average score for transport and logistics companies was 61 points. The FTSE4Good Index confirmed our company's membership. We are again listed in the Advanced Sustainability Performance Index Eurozone maintained by the French rating agency Vigeo and are also listed in the FTSE KLD Global Climate 100 Index along with other indices of the FTSE KLD index series. The Carbon Disclosure Project gave us a rating of 63 out of 100 points (previous year: 66 points).

Sustainability Report meets international guidelines

In our third Sustainability Report published in April 2009, we provided supplementary information on sustainability and performance indicators that are not included in the Group Management Report. The report was again prepared on the basis of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines in conjunction with the GRI Sector Supplement for the Logistics and Transport Sector. Based on our own assessment as stipulated by GRI, the Sustainability Report achieved a GRI level of B+, i.e., it fulfils key requirements and provides information that has been verified by independent experts. Our next report – the Corporate Responsibility Report – will be published in the second quarter of 2010 and for the first time will only be available online in electronic form.

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PROCUREMENT

Lower volumes

In 2009, the Group centrally purchased goods and services having a total value of approximately €7.7 billion (previous year: €9.0 billion). This figure does not include transport services, which the divisions generally procure themselves. Corporate Procurement is now increasingly involved in these purchases, however. Procurement expenditure has decreased in nearly all areas, with the exception of real estate due to the fact that the approximately 1,300 buildings sold to US investor Lone Star have been leased back.

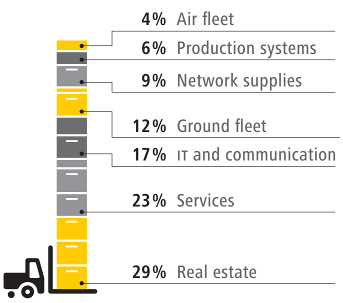
Against the backdrop of the global recession, Procurement has intensified its efforts to reduce Group expenses even further. New guidelines for business trips and corporate hospitality have contributed to the success of these endeavours. As in previous years, we have bundled products and services and purchased all-inclusive packages from high-performance partners, thus obtaining better conditions both internationally and regionally.

We entered into a co-operation agreement with AT&T in the USA and in Puerto Rico for telephone and network services. The result is lower costs and improved service. In addition, we signed a five-year agreement with T-Systems aimed at enhancing communication between our international data centres. Both of these agreements are part of a global programme to increase efficiency in the area of telecommunications. Our savings should be more than €190 million over the next five years.

We also plan to combine certain facility management services – an approach that has been tested in Germany and Singapore. All types of services, from cleaning to security and maintenance, are being put out to tender and awarded in bundles. Pilot projects have shown that integrated facility management offers significant potential for cost savings.

A.64 Procurement expenses, 2009

Volume: €7.7 billion



Organisational enhancements

Procurement is a centralised function in the Group. The heads of Global Sourcing and their 16 category managers work closely with regional procurement managers and report to Corporate Procurement. This allows us to pool our needs worldwide whilst satisfying the service and quality requirements of internal customers.

In order to streamline our regional organisation, we merged North and South America into a single procurement region, thus reducing the number of procurement regions to five. Now the regional competence centres take more responsibility for strategic procurement and the relevant processes.

In the year under review, we opened the DHL Procurement Office China in Shanghai. This office follows the principle of best cost country sourcing, which aims for an optimum balance between cost, quality and risk. The new procurement office will work closely together with all regions to better meet our international requirements.

Our procurement success depends on the skills and calibre of our employees. We therefore continued our Fit4Procurement programme in the reporting year, which put us amongst the 10 best companies to be nominated for the international Talents in Supply Chain Management prize. This prize is awarded by the European Business School and the Supply Chain Management Institute, both private institutions.

Together with these two organisations, we bestowed the ProLog Award for procurement and logistics in 2009 for the third time. This award is given for scientific research with significant practical results. One of the research projects honoured was a study of the ecological aspects of procurement.

Green procurement

Our Green Team, made up of procurement managers from various regions and product groups, takes care of the environmental aspects of procurement. One of the achievements of the Green Team has been to introduce a globally standardised form that suppliers can use to furnish information on how well they meet environmental requirements. Entrenching ecological indicators into the strategic procurement process is also planned. Calculation of the total cost of ownership, for example, now also includes energy and carbon efficiency. This is intended to help us gauge the maturity of our procurement markets in terms of environmental friendliness so that if necessary, we can switch to more environmentally friendly procurement sources.

In many cases, environmental aspects are already being taken into account in procurement. We are one of Deutsche Bahn's first key accounts to use its new, climate-friendly *Umwelt Plus Ticket* (environment plus ticket) for all business trips. This means that 100% of the electricity used comes from renewable energy sources. The agreement with Deutsche Bahn was concluded with retroactive effect as of 1 January 2009. Therefore, the 74,319 tickets used in 2009 resulted in savings of around 2,134 tonnes of CO_2 emissions.

Another example is the new, eco-friendly mail sorting machines we purchased from Siemens AG. Siemens will deliver 288 sorting machines for standard and compact letters and up to 97 sorting systems for flats and maxi flats by 2012. The new sorting machines for standard and compact letters alone will reduce our CO_2 emissions by nearly 5,000 tonnes per year, and they also use 55% less energy.

Increased use of IT

During the reporting year, we increased our use of IT applications to enable more efficient procurement of goods and services. Previously, the GeT electronic ordering system was used mainly in Germany and the USA and to some extent in France, Mexico, Poland and Switzerland. Since 2009, this system has also been in use in Denmark, Finland, the Netherlands and Norway.

In addition, we have increased our use of eSourcing for procurement projects. eSourcing allows all major steps in the tender procedure to be performed electronically, including bidding auctions. This makes procurement processes more efficient and transparent for internal customers. It also makes it easier to track and analyse procurement markets.

RESEARCH AND DEVELOPMENT

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

BRANDS

A.65 Brands and business units

Deutsche Post DHL

Division	MAIL		EXPRESS	GLOBAL FORWARDING, FREIGHT	SUPPLY CHAIN
Brand	Deutsche Post	DHL	DHL	DHL	DHL
Brand area	• Mail Communication • Dialogue Marketing • Press Services • Philately • Pension Service	• Global Mail • Parcel Germany	• Express	• Global Forwarding • Freight	• Supply Chain
Sub-brand					• Williams Lea

The competitive edge

As a globally operating service company, well-managed brands are amongst the central elements of our strategy. In hotly contested markets, our brands contribute to the financial success of the Group. High brand recognition and a good reputation make us more attractive to shareholders, employees, customers and suppliers.

In the first half of 2009, we changed the name of the Group to Deutsche Post DHL as part of our Strategy 2015 and following the sale of Postbank. The new name underscores our strategy, which involves the two pillars of mail and logistics. Over the course of the year we repeatedly communicated our main customer promise: simplifying services and sustainable solutions.

Corporate strategy, page 25

Employees shape the brand experience

Brand manuals give detailed descriptions of how Deutsche Post and DHL are positioned and how our brands support our strategy. Of key importance to our brand image is how customers experience their interactions with our approximately 500,000 employees worldwide. In order to make a good impression, we have provided our employees who have direct customer contact with high-quality corporate clothing and given our vehicles and buildings as well as our promotional and informational materials a uniform and memorable design. We have also implemented internal measures aimed at motivating our entire staff to be active brand ambassadors at all times.

DHL employees have had a multilingual internet platform since 2008. We plan to make this state-of-the-art, interactive approach available to customers and prospective customers in 2010 under the name of DHL Brand World. Deutsche Post launched a motivational platform – the Deutsche Post Brand Fan Club – to strengthen brand awareness amongst the workforce. It conveys the main brand messages to them via sporting events, group activities and an interactive portal.

Steadily increasing value

Our brands face tough competition both domestically and internationally. Clear positioning and a lasting impression facilitate purchasing and investment decisions for existing and potential customers. Guided by market research, we invested some €70 million in the year under review (previous year: €80 million) in building our brands. Our print and online campaign for the DHL brand appeared in renowned international financial publications. Deutsche Post's domestic brand campaign focused on service quality. Along with online, print and poster themes, a survey was conducted of approximately 34 million households in Germany, who were invited to comment on the quality of Deutsche Post's services. In addition to traditional advertising, we enhance our brand image by sponsoring various events, appearing at trade fairs, conducting press relations and implementing measures to support sales.

Our success is measurable: in 2009, consulting firm Semion Brand Broker calculated a brand value of €12,614 million for Deutsche Post, putting us in sixth place in a ranking of the most valuable German brands. Factors analysed included financial value, brand protection, brand image and brand strength. DHL appeared in a list of the 100 most valuable brands for the first time in 2009. Market researcher Millward Brown computed a value of US$9,719 million for the DHL brand, which put us in 68th place in the world rankings.

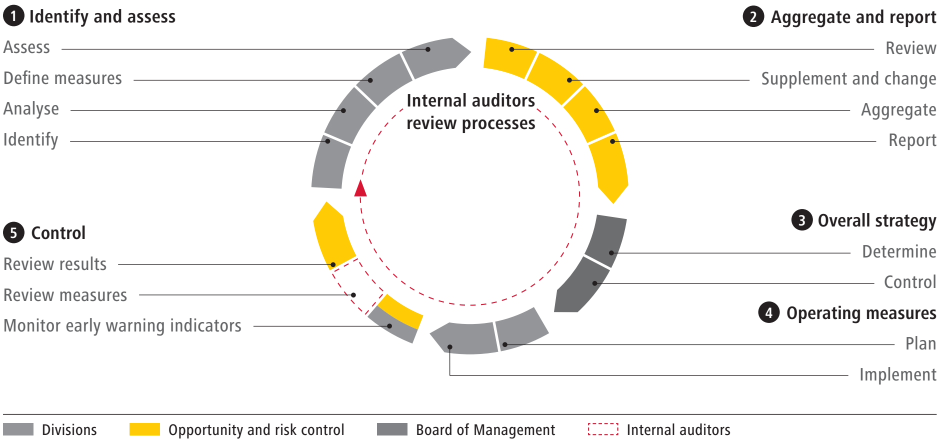
RISKS

OPPORTUNITY AND RISK MANAGEMENT

Risk control as a component of risk management

Opportunity and risk management is a key component of any successful business activity. Our aim is to identify both opportunities and risks at an early stage and to manage them such as to achieve a sustained increase in enterprise value. Our Group-wide opportunity and risk control system facilitates this. We systematically survey our managers all over the world to find out how they rate future scenarios, and we evaluate this information. An integrated approval process ensures that the results flow into management control processes and that opportunities and risks are systematically communicated.

A.66 Opportunity and risk management process



The most important steps in the process are as follows:

❶ **Identify and assess:** Opportunities and risks are defined as potential deviations from projected earnings. Managers in all divisions and regions provide an estimate of our opportunities and risks on a quarterly basis and document relevant actions. They use scenarios to assess best, expected and worst cases. Each risk is assigned to one or more managers, who assess it, monitor it, specify possible procedures going forward and then file a report. The same applies to opportunities. The results are compiled in a database.

❷ **Aggregate and report:** The competent control units collect the results, evaluate them and review them for plausibility. If individual financial effects overlap, they are noted in our database and accounted for in the subsequent aggregation. After being approved by the department head, all results are passed on to the next level in the hierarchy. The aggregate and report step is complete when Corporate Controlling reports to the Group Board of Management on the significant opportunities and risks as well as any overall impact each division might experience.

3. **Overall strategy:** The Group Board of Management determines which fundamental opportunities and risks the divisions are exposed to and how these can be managed successfully. The reports made by Corporate Controlling provide a regular basis of information for the overall management of opportunities and risks.
4. **Operating measures:** As part of the strategy, the divisions determine the measures to be used to take advantage of opportunities and manage risks. They use cost-benefit analyses to assess whether opportunities should be taken and whether risks can be avoided, mitigated or transferred to third parties.
5. **Control:** For key opportunities and risks, early warning indicators have been defined that are monitored constantly by those responsible. Corporate Internal Audit is tasked with ensuring that the Board of Management's specifications are adhered to. It also reviews the quality of the entire opportunity and risk management operation. The control units regularly analyse all parts of the process as well as the reports from internal audit and the independent auditors with the goal of identifying potential for improvement, and they make adjustments where necessary.

Internal accounting control and risk management system (disclosures required under Section 315 (2) No. 5 of the *Handelsgesetzbuch* (HGB – German commercial code) and explanatory report)

Deutsche Post DHL uses an internal accounting control system to ensure that Group accounting adheres to generally accepted accounting principles. This system is intended to make sure that statutory provisions are complied with and that both internal and external accounting provide a valid depiction of business processes in figures. All figures are to be entered and processed accurately and completely. Accounting mistakes are to be avoided in principle and significant assessment errors uncovered promptly.

The control system design comprises organisational and technical measures that extend to all companies in the Group. Centrally standardised accounting guidelines govern the reconciliation of the single-entity financial statements and ensure that international financial reporting standards (IFRS) are applied in a uniform manner throughout the Group. All Group companies are required to use a standard chart of accounts. Often, accounting processes are pooled in a shared services centre in order to centralise and standardise them. The IFRS financial statements of the separate Group companies are recorded in a standard, SAP-based system and then processed at a central location where one-step consolidation is performed. Other components of our control system include automatic plausibility reviews and system validations of the accounting data. In addition, manual checks are carried out regularly at a de-central level by those responsible locally (i.e., a CFO) and at a central level by Corporate Accounting, Taxes and Treasury at the Corporate Center. Beyond the aforementioned internal accounting control system and risk management structures, Corporate Internal Audit is an essential component of the Group's controlling and monitoring system. Using risk-oriented auditing procedures, Corporate Internal Audit examines the processes related to financial reporting and reports its results to the Board of Management. Upstream and downstream checks and analyses of the reported data are performed under chronological aspects. If necessary, we call in outside experts, for instance, in the case of pension provisions. Finally, the Group's standardised process for preparing financial statements using a centrally administered financial statements calendar guarantees a structured and efficient accounting process.

RISK CATEGORIES AND SPECIFIC RISKS

The risks set out in the following are those which we presently consider to have a significant potential negative impact on our earnings, financial position and assets and liabilities. They are not necessarily the only risks to which the Group is exposed. Our business activities could also be adversely affected by risks of which we are currently unaware or which we do not yet consider to be material.

Risks arising from the political and regulatory environment

Risks associated with the general business environment primarily arise from the fact that both the Group and its subsidiaries provide some of their services in a regulated market. Our statutory exclusive licence was abolished in Germany on 1 January 2008. However, the *Postgesetz* (German postal act) has allowed exceptions enabling competitors to operate within the weight and price ceilings laid down in our exclusive licence from January 1998 onwards. By the end of the year, the regulatory authority (*Bundesnetzagentur* – German federal network agency) had issued licences to around 1,500 competitors, around 840 of which operate in the market.

Glossary, page 224

On 7 November 2007, the regulatory authority announced a benchmark decision specifying the conditions that would apply from 2008 until the end of 2011 to regulation under the price-cap procedure for mail prices requiring approval. This stipulates the general rate of inflation and the expected productivity growth rate for Deutsche Post AG as the key factors applicable to mail prices subject to approval. Prices have to be lowered if the inflation rate in the reference period is less than the productivity growth rate specified by the regulatory authority. Mail prices requiring approval will remain largely unchanged in 2010. The regulatory authority accepted an application from Deutsche Post AG to this effect on 17 November 2009.

The third EU Postal Directive came into force on 27 February 2008. The Directive requires most EU member states to open up their markets by 2011, although the nine most recent members plus Greece and Luxembourg have the option to defer the opening of their markets until 2013. Until then, the previous limits continue to apply across the EU, with reservable services restricted to a maximum of 50g or two-and-a-half times the standard letter price. It is now possible to plan with certainty for the future regarding the date by which all national monopolies in Europe must fall.

Whilst liberalisation of postal markets entails risks for Deutsche Post AG due to increased competition in Germany, it also opens up new opportunities in other European postal markets. In 2009, cross-border mail in Europe between Deutsche Post AG and 13 other western European postal operators was governed by the REIMS III agreement and with another nine Eastern European postal companies by the REIMS EAST agreement. REIMS IV came into force on 1 January 2010 as the successor to these two agreements.

Discussions continue regarding the extent to which postal services should be exempt from value added tax (VAT). An amendment to the *Umsatzsteuergesetz* (German value added tax act) currently in preparation will reduce the VAT exemption for Deutsche Post AG. A bill to this effect was adopted by the German cabinet on 16 December 2009 and is set to become law on 1 July 2010. Under the new rules, the VAT exemption will only apply to specific universal services pursuant to the EU Postal Directive that are not subject to individually negotiated agreements or provided on special terms (discounts etc.). Any enterprise that offers some or all of these services nationwide in Germany will qualify for the VAT exemption.

The German legislative process will have to take account of the European Court of Justice (ECJ) decision of 23 April 2009 that pertained to the VAT exemption for postal services in the United Kingdom. Europe's highest court ruled conclusively that universal postal services, which a company undertakes to provide, must be exempt from value added tax even in a liberalised postal market. According to the ECJ, the only exceptions to this are services rendered under individually negotiated conditions. The German bill has yet to be passed by the *Bundestag* and *Bundesrat*.

Concurring with Deutsche Post AG, the regulatory authority considers that the prices it approved are net prices not including VAT. VAT could therefore be added to the approved prices. However, it cannot be ruled out that the application of VAT would lead to a decrease in revenue and earnings.

At the European level, the scope of the VAT exemption for postal services is also the subject of infringement proceedings initiated against the Federal Republic of Germany by the European Commission on 10 April 2006. The Commission announced in its decision at the proceedings on 24 July 2007 that the VAT exemption for postal universal services provided by Deutsche Post AG was too broad and called on the German government to amend the applicable law. Germany responded to the European Commission at the proceedings that it considered the current VAT exemption to be in compliance with applicable law and that it would subject the German legal provisions regarding value added tax on postal services to another detailed review. The infringement proceedings have not been pursued to date in view of the aforementioned proceedings before the ECJ pertaining to the VAT exemption for postal services in the United Kingdom.

German tax authorities have announced their 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)). Based on these laws, Deutsche Post AG classifies its postal services 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.

Should the political or regulatory framework change, this could have considerable financial consequences for the Group, particularly with respect to the mail business in Germany. Since this is basically a political decision, we can make no reliable estimation as to the likelihood of occurrence.

Risks arising from industry-specific conditions

In addition to the regulatory environment, market and sector-specific conditions have a significant effect on the business performance of the Group.

The demand for logistics services depends greatly on the global economy. In the year under review, revenue fell substantially on the previous year as shipment volumes dropped in all divisions due to the economic crisis. If the economic situation does not improve, this could have a considerable impact on our projected earnings. On the other hand, an economic upswing beyond the anticipated level could result in our earnings exceeding expectations. Due to uncertainty regarding further developments and the end of the economic crisis, the probability of occurrence of risk or opportunity for our Group cannot be specified more precisely at the present time.

We are also exposed to risk as a result of customer insolvencies because the financial strength of our customers is a key factor in determining the success of our business activities. In the reporting year, the insolvency of Arcandor AG in Germany had a severe impact on consolidated earnings. We do not anticipate any additional risk of this magnitude based on the current outlook. Our goal is to identify critical developments amongst our customers at an early stage and to ensure that our cost structure is flexible enough to limit any potential financial consequences.

We offer our products and services in a competitive market. In the mail and logistics business, customers are gained and retained by offering quality at competitive prices. Thanks to our high quality and the savings generated in the year under review, we consider ourselves able to keep any potential risk to our projected earnings from competition at a fairly low level. As described above, a number of political and regulatory factors are additionally applicable to the MAIL division.

Divisions, pages 48, 56, 62 and 68

Risks arising from corporate strategy

During the economic crisis, which endured the entire year under review, the Group focused greater attention on its core competencies and on organic growth. We want to grow profitably and improve our competitive standing through optimum integration of our divisions and processes.

In the past, the MAIL division made a substantial contribution to consolidated earnings. Now, however, the division can increasingly expect to see sales volume declines in its German mail business based on the general economic slowdown, increased competition and continuing substitution of physical communication with electronic communication. Our corporate planning takes into account declining revenues in the Mail Communication Business Unit in Germany. We regard the risk of a significant deviation from the projected figures as low. Moreover, we also see opportunities in digitalisation and are developing new electronic products for our mail business.

In the EXPRESS division, revenue dropped in all regions during the reporting year due to the recession. This effect was intensified by our exit from the domestic US express business. Network, price and administrative structures had to be adapted to these circumstances. In addition, we are selling unprofitable units in Europe. The restructuring of the express business, which has been underway since the end of 2008, is aimed at strengthening the EBIT margin in Europe. At present, we believe that the expenditures budgeted for restructuring will suffice. We are furthermore looking for new possibilities to increase revenues and earnings in economically attractive markets.

In the GLOBAL FORWARDING, FREIGHT division, we agreed on fixed transport rates with certain customers. Due to lower demand for transport services, freight carriers recently reduced transport capacities in order to keep prices high. When prices rise, margins shrink. Freight carriers additionally made a general price adjustment in the year under review. In this regard, we are subject to the risk that we will not be able to pass on higher prices to our customers in full. If and to what extent our profit margin is endangered depends to a great extent on how the world economy will fare. Both upward and downward deviations from projections are possible.

In the SUPPLY CHAIN division, we enjoy close, long-term business relationships with our customers. This leads to a certain dependency on the financial situation of our customers and the sector risks to which they are exposed. As mentioned above, the situation with Arcandor showed how seriously the insolvency of a major customer can impact our company financially, although we do not expect exposure on such a scale going forward. On the whole, we are optimistic that cost pressures will persuade companies to increasingly outsource key logistics processes and that we will be able to benefit from this, even in a time of crisis.

Risks arising from internal processes

Reliability and speed are key indicators of the quality of our logistics services. Quality can be compromised by any problems that may arise in our complex operating infrastructure with regard to posting and collection, sorting, transport, warehousing or delivery. We want to prevent interruptions in operations by taking preventive measures. These include a detailed emergency plan with fire prevention measures and backup operations in the event of malfunctions or damage. Moreover, since we render our services de-centrally in more than 200 countries, we regard the probability that the Group will experience significant downtime as low. Our insurance policies reduce potential financial impacts.

As early as 2005 we began formulating pandemic emergency plans and setting up an international crisis team. We want to minimise the risk of infection for our employees in the event of a pandemic and maintain our business operations.

Under our First Choice programme, we are rigorously aligning internal processes to customer needs. At the same time, we are also aiming to improve cost efficiency, which in some instances requires capital expenditure. Investment decisions on amounts in excess of €10 million are made by Board of Management committees. A lower threshold of €5 million applies to capital expenditure in Global Business Services and the Corporate Center. The Board of Management members are regularly informed of investment decisions so that they can identify significant risk early and take any necessary countermeasures.

As a service provider, we do not conduct research and development in the narrower sense. There are therefore no material risks to report in this area.

Risks arising from information technology

We have taken all the necessary steps to be able to effectively identify and counter IT risks. These risks are monitored across the Group by Risk Management, IT Audit, Data Protection and Corporate Security. The Information Security Committee provides for secure IT in the divisions. At a minimum, we aim to meet the ISO 27002 industrial safety standard.

Our logistics and service processes can only function smoothly if the necessary IT is available. Complete failure of one or more systems could cause a significant disruption to operational processes and lead to loss of data. For this reason we want to avoid malfunctions entirely.

We take the following measures to reduce the probability of IT risk materialising: we have two main data centres, in the Czech Republic and Malaysia. Additional processing capacity is provided by T-Systems, a service provider with which we have agreed on standards for outsourced services and which has likewise distributed its capacity amongst several data centres. In addition, we have established emergency procedures throughout the Group for business-critical applications.

We continuously improve our security mechanisms to protect against unauthorised access to, and manipulation of, data, and this includes mobile devices. Persons with access authorisation are required to encrypt critical data as a standard procedure and to change passwords every eighty to ninety days. Critical data are secured by means of back-ups, either on a case-by-case basis or in real time in several data centres depending on relevance.

Our services require the use of frequently updated and newly developed software. This involves not only a general cost risk in the case of complex IT systems in particular, but also the risk of development delays and functional deficiencies when putting the new software into operation. This risk is reduced by an efficient project management system spanning the entire process from software planning and design to implementation.

The precautions we take lower the probability of occurrence of IT risks having grave consequences. We are prepared to minimise the impact of any risk that does materialise such that customers are not, or only minimally, affected. However, an element of risk involving medium to high financial consequences cannot be fully ruled out.

Risks arising from environmental management

Our Group-wide risk management system also monitors environmental policy developments. For example, the EU has decided to introduce an emissions trading system for air traffic starting in 2012. The financial implications of this will depend heavily on the results of the EU surveys on emissions for the 2004–2006 base period. These data will determine the quantities of free emissions rights that will be allocated to the airlines we use and the extent to which we will have to purchase emissions rights at auction to meet our needs. In addition, it is not yet possible to estimate the prices at which emissions rights will trade on the market. However, we believe that the Group is well equipped to limit any financial risk thanks to our GoGreen programme. We find the risk of deviation from projections to be fairly low.

Corporate responsibility, page 77

Risks arising from human resources

Our employees are critical to our future success. For this reason, we want to become the most popular employer in our sector. In general, there is the risk that we will not find the right employees for the right positions at the right time. Moreover, we have to compete for qualified international executives.

We monitor this risk using internal and external measurement parameters. US consulting firm Universum, for instance, regularly surveys 120,000 students in 26 countries to find out who the most popular employers are. DHL is the only logistics company to rank in the top fifty. Internally, we measure employee satisfaction on an annual basis in a survey of all Group employees. The survey findings indicate that the dedication of our employees has steadily improved over recent years. Given the fact that 2009 was a recession year, these findings were particularly encouraging.

We want to hire qualified employees, use them to their full potential and foster loyalty amongst them. Thus, vocational training in Germany will remain a key investment in the future for us, even in economically difficult times and especially in light of demographic change. With regard to employee motivation, managers who are familiar with the challenges of our sector and deal with their staff based on the principle of Respect and Results play an important role. We support our managers with a number of programmes, pay them fairly for their work, including providing performance-based incentives, and offer them career opportunities in their home countries and abroad. By doing this, we limit the risk of losing expertise and customer relationships to employee turnover.

Employees, page 74

Although we find the financial impact of these risks to be moderate, we see the probability of occurrence as low thanks to the measures we have implemented. This risk has declined from the previous years based on the economic situation alone.

Financial risks

On 14 January 2009, Deutsche Post AG and Deutsche Bank AG agreed to restructure the transaction to sell the shares in Deutsche Postbank AG held by Deutsche Post AG. The contract now comprises three tranches.

The first tranche provided for the sale of 50 million Postbank shares via contribution as a non-cash capital increase in return for 50 million new shares in Deutsche Bank AG and via the rendering of payments and non-cash benefits on the part of Deutsche Bank AG in connection with hedging transactions. Thereby any claim to payment of a purchase price for the shares was waived. The first tranche was carried out in the period from April to July 2009. Mechanisms designed to avoid possible market disturbances were applied to the sale of the Deutsche Bank shares.

As at 31 December 2009, Deutsche Post AG was still in possession of 86,417,432 Postbank shares. It will sell an additional 60 million Postbank shares in exchange for a mandatory exchangeable bond with a cash value at the time of closing of €2,568 million and a 4% accrued interest per year that will mature in three years (second tranche). The bond was underwritten by Deutsche Bank AG and will be exchanged for 60 million Postbank shares on 25 February 2012.

For the third tranche, Deutsche Post AG and Deutsche Bank AG have agreed on put and call options, which are in place for transferring the remaining 26,417,432 Postbank shares. The exercise periods are set between the third and fourth year after the closing on 25 February 2009. The derivatives agreed for the second and third tranches could lead to considerable volatility on the balance sheet. This risk is explained in greater detail in the Notes, where you will also find information on other balance sheet and financial risks.

Note 50

Risks from pending legal proceedings
Information on legal risk is provided in the Notes.

Note 53

Other risks faced by the Group
Our insurance strategy separates insurable risks into two groups. The first group comprises risks with a high probability of occurrence and low individual cost. These risks are insured via what is known as a captive, an insurance company owned by the Group that is able to insure such risks at a lower cost than commercial insurers. The majority of our insurance expenditure is incurred for this risk group, which along with lower costs offers other advantages. Costs remain stable as the Group is less affected by changes in the availability and price of outside insurance. We receive reliable data on the basis of which we can analyse risk with a high probability of occurrence and low individual cost. We can then set minimum standards and targets for such risk. The second group consists of risks that have a low probability of occurrence but could entail high losses, such as air transport risks. These risks are transferred to commercial insurers.

We saved nearly €97 million in 2009 using this financing and insurance strategy. At the annual World Captive Forum, the Group received the Award of Excellence for its global captive insurance strategy.

Audits are currently underway at DHL Express (USA) and Airborne Inc. in line with the unclaimed property laws in the United States. Under these laws, unclaimed property must either be returned to its rightful owner or the home country of the most recent owner or, if this is not known, the country in which the company is domiciled. The probability of a significant financial impact on the Group is fairly low.

OVERALL ASSESSMENT OF THE GROUP'S RISK POSITION

At present, we see the main risk for our business performance in the economic and regulatory environment, particularly the future general economic trend and changed conditions on the German mail market. Based on the Group's early warning system and in the estimation of the Board of Management of the Group, in the past financial year there were no identifiable risks for the Group which, individually or collectively, cast doubt upon the Group's ability to continue as a going concern, nor are any such risks apparent in the foreseeable future.

FURTHER DEVELOPMENTS AND OUTLOOK

REPORT ON POST-BALANCE SHEET DATE EVENTS

No further significant events
There were no reportable events after the balance sheet date.

REPORT ON EXPECTED DEVELOPMENTS

Global economy emerging from the crisis
At the start of 2010, the global economy finds itself in a period of recovery. However, the rebound is still being bolstered by extremely expansive monetary policies with low interest rates and extensive government initiatives. For this reason, the upward trend cannot yet be said to be self-sustaining and it is possible that the economic recovery could soon lose momentum. Nevertheless, economic growth forecasts are cautiously optimistic. The International Monetary Fund (IMF) is predicting an increase of 3.9% in global economic output in 2010. Against this backdrop, global trade can be expected to see moderate expansion (IMF: 5.8%, OECD: 6.0%).

A.67 Global economy: growth forecasts

%	2008	2009
Global trade volume	–12.3	5.8
Real gross domestic product		
Global	–0.8	3.9
Industrial nations	–3.2	2.1
Emerging markets	2.1	6.0
Central and Eastern Europe	–4.3	2.0
Former CIS countries	–7.5	3.8
Emerging markets in Asia	6.5	8.4
Middle East	2.2	4.5
Latin America and the Caribbean	–2.3	3.7
Africa	1.9	4.3

Source: International Monetary Fund (IMF) world economic outlook, October 2009, update January 2010.

In the United States, the economy should recover but private consumption is likely to remain weak. Forecasts call for solid GDP growth overall (IMF: 2.7%, OECD: 2.5%, Postbank Research: 2.3%).

The Japanese economy is expected to experience a sharp growth in exports as it benefits from the upswing in global trade. The country should again register solid GDP growth (IMF: 1.7%, OECD: 1.8%, Postbank Research: 2.0%). In China, growth will continue to accelerate but will not fully reach the record levels of past years (IMF: 10.0%).

The euro zone is thought to be on the road to recovery, with the economy stimulated by exports and gross fixed capital formation. However, the forces driving the economy could lose momentum if government economic initiatives are scaled back. Growth is forecasted to remain low (ECB: 0.8%, Postbank Research: 1.7%).

The export-based German economy is likely to benefit from the global upturn, with exports expected to increase sharply and investment in machinery and equipment expected to rise from their current low levels. Moreover, the full impact of the government infrastructure programme should be felt eventually. However, private consumption is not expected to provide stimulus given that unemployment will likely keep rising. GDP growth is projected to be higher than in the euro zone (The German Council of Economic Experts: 1.6%, Postbank Research: 2.2%).

It is unlikely that the price of oil will reach the lows of 2009 or the highs of 2008. We estimate that the average price of oil for the year will be higher than in 2009.

For the time being, it is expected that the US Federal Reserve will leave its key interest rate at the current extremely low level. Should the economy recover, interest rates could rise slightly starting this summer. The ECB will presumably leave its key interest rate at 1% for a longer period. Later in the year, it could tighten its monetary policy depending on the economic trend.

Capital market interest rates are likely to rise on the whole. However, yield spreads are expected to remain tight assuming that price stability remains high.

The mail business in transition

Demand for mail in Germany depends on the economic climate and the extent to which electronic media continue to take the place of the physical letter. We expect the market for mail communication to continue shrinking whilst demand for communication in general continues to rise. Our aim is to take advantage of our expertise in physical communications to offer competent electronic communications and generate new business. We have also prepared ourselves for continued, intense competition.

The German advertising market likewise takes its cue from the economy. According to forecasts by the *Zentralverband der deutschen Werbewirtschaft* (German Advertising Federation), the market will shrink in 2010. The trend towards targeted advertising and combinations with internet offers is likely to continue, with companies increasingly resorting to the more economical forms of advertising that we offer. We intend to consolidate our position in the liberalised market for paper-based advertising and to expand our share in the advertising market as a whole.

The press services market is likely to keep contracting slightly because of the increasing use of new media. The economic trend will affect subscriber numbers and average weights, thus impacting our future revenue.

The economic trend will also affect the international mail market. This is an area in which we want to tap into new business fields related to our core competency, mail.

In the parcel market, two trends will continue: in the business customer segment, pressure on traditional mail-order companies will persist with shipment volumes expected to drop, whilst the private customer segment will benefit from e-commerce, an area in which we intend to expand our position.

Developing our international express business

The international express market is expected to increase by 0.5% to 1.5% in 2010 (Datamonitor Consulting, August 2009). Over the medium term, experts are predicting slight growth of between 0.1% and 0.5% for Europe, and stronger growth of between 1.5% and 2.0% within Asia. In Europe and the United States, private demand is still quite slow, which in turn is depressing the export activities of Asian countries. On the whole, however, we are confident that we will be able to leverage market growth opportunities.

The same applies to our earnings performance. The savings realised in the reporting year together with a rigid focus on costs will make a crucial contribution to continued improvement in our earnings, even if market conditions remain difficult. In such case, our programmes for increasing efficiency and quality and streamlining our portfolio will kick in. We are the market leader, and we are well-prepared to defend this position and to strengthen it further.

Increasing sector focus in the freight forwarding business

Following the sharp drop in ocean and air freight volumes at the start of 2009, the market began recovering in the fourth quarter and we are gaining market share. In 2010, we expect the market to continue picking up slightly. Given that air and ocean freight capacity has been reduced considerably in recent months, we anticipate sharp increases in procurement and sales prices for transport services.

Based on economic fundamentals, we expect to see growth in intra-Asian traffic and on trade lanes between Asia, the Middle East and Africa as well as between Asia and Latin America. As the market leader, we will participate in this growth by investing in infrastructure and innovation.

During the economically challenging year of 2009, we convinced small and medium-sized businesses in particular of our competence as a reliable logistics service provider. This enabled us to keep the impact of the recession in check and gain market share. We intend to build on this success in the coming year and make our portfolio of transport products even more attractive to this target group as well as our other customers. We also plan to enhance our product offering for certain industry sectors in 2010, particularly for the fashion, oil and energy, perishable goods transport, pharmaceuticals and technology sectors.

Based on suggestions by customers, business partners and employees, we have introduced a uniform "scorecard" for our branches. Now all teams have direct access to information showing their contribution to the company's overall performance as well as potential areas of improvement. We plan to implement this system in all branches of the Global Forwarding Business Unit by the end of 2010.

Continuing to improve Supply Chain performance

Consistent with leading economic research institutes, we are projecting a moderate upturn in global economic output for the coming year, driven by rising consumer spending and an improved investment climate. This should also result in a slight upward trend in the contract logistics market.

In our main markets of Europe and North America, we anticipate growth in the low single digits, whereas in the Asian and Latin American markets we think it is likely to be in the high single digits. We intend to foster business growth in all regions through targeted sales, marketing and communications initiatives.

However, the market for contract logistics is influenced by the economy as a whole, and should economic recovery be delayed, this would affect our business accordingly.

We will be continuing our successful 5 to Thrive programme to optimise our operations further. We are also holding workshops together with our customers, which have proven effective and are therefore being extended. We want to improve our services on an ongoing basis. This is our highest priority.

At the same time, we want to improve the success rate of our activities as well as the earnings power of our new business. Accordingly, we plan to reinforce the expertise, performance and proactive work ethic of our sales team.

In product development, our sector teams are working on joint services that will be even easier to standardise.

At Williams Lea, we expect the business to continue experiencing double-digit growth, driven by our unique product offering and by increasingly tapping into our broad DHL customer base.

Business development expectations

At the start of 2010, the moderate recovery trend seen in the second half of 2009 continued. For planning and budgeting purposes, we have figured in a modest recovery in overall trade volumes in 2010. However, uncertainty remains with regard to the extent and durability of this recovery.

Against this backdrop, we expect full-year consolidated EBIT before non-recurring items to reach €1.6 billion to €1.9 billion in 2010. The MAIL division is likely to make up around €1.0 billion to €1.2 billion of this. Compared with the previous year, we expect a strong improvement in earnings to between €1.0 billion and €1.1 billion in the DHL divisions. The Corporate Center/Other segment should come in just below the prior year with a loss of around €0.4 billion. Given that 2009 saw high non-recurring expenses for restructuring the express business, full-year 2010 is likely to see a solid improvement in consolidated EBIT.

We will maintain our conservative financial policy in 2010, raising our capital expenditure to approximately €1.4 billion after having reduced it in 2009 to just under €1.2 billion. Following our corporate strategy, we are focusing on organic growth. We anticipate only a few small acquisitions in 2010 as in the previous year. Planned restructuring measures taken in the previous year on the order of €1 billion will reduce operating cash flow in 2010. Consolidated net profit is expected to continue to improve in 2010 in line with our operating business.

Provided that the global economy continues to recover, the positive trend in our earnings that we are anticipating for 2010 is likely to continue into 2011. The cost reduction measures initiated in the MAIL division are expected to stabilise EBIT even if mail volumes continue to lose out to electronic means of communication. We expect EBIT to improve in the DHL divisions as volumes continue to recover.

Starting in 2010, the mark-to-market measurement now required in accordance with IFRS for all financial instruments associated with the Postbank transaction results in a positive – albeit non-cash – effect on net finance cost/net financial income. As the year progresses, this effect – as already in the previous year for some of these instruments – will be reviewed and, if necessary, adjusted at the end of each quarter based on the trend in Postbank's fair value.

Future organisational adjustments

In the EXPRESS division, we plan to start reorganising our central functions for the Europe region in 2010. We will also be combining our various climate protection activities into the Corporate Public Policy and Responsibility Department to allow us to operate even more efficiently in this key area.

Strong liquidity maintained and new finance strategy

Although our liquidity position will decline in 2010 due to restructuring expenditure, it will remain strong. The Group is currently developing a comprehensive finance strategy that will take account of our credit rating, gearing ratio and future liquidity, amongst other things.

We want to invest more

Since all forecasts are calling for cautious optimism, we have decided, contrary to our previous planning, to step up capital expenditure to approximately €1.4 billion in 2010. The majority of this will be allocated to property, plant and equipment and to the MAIL, EXPRESS and SUPPLY CHAIN division. In the named divisions more funds will be made available for property, plant and equipment and intangible assets.

Funds apportioned to the MAIL division will be considerably higher than in the previous year and will be earmarked predominantly for the domestic mail and parcel business. We want to continue the investments started in the year under review and equip additional mail centres with sorting machines for standard and compact letters. In addition, we plan to purchase equipment for processing flat mail more efficiently. We also want to set up an internet platform for sending letters, update our IT systems in the Parcel Germany Business Unit and continue restructuring our network of retail outlets.

Glossary, page 224

In the EXPRESS division, capex will be higher than in the reporting year. In 2010, we will again concentrate on maintaining and modernising our aircraft fleet as prescribed by law. We also plan to inject funds into our hubs, gateways and terminals, including those in Leipzig and northern Asia. Capital expenditure will once again focus on the regions of Europe, the Americas and Asia Pacific.

In the GLOBAL FORWARDING, FREIGHT division, we plan to maintain capital expenditure at approximately the previous year's level. In the Global Forwarding Business Unit, we plan to put competence centres into operation, particularly for the pharmaceuticals industry, and invest in systems to improve the transparency of shipment processes. In the Freight Business Unit, we want to invest in our branch network, in IT and in transport equipment. These investments will focus primarily on Germany, Scandinavia and the Middle East.

In the SUPPLY CHAIN division, we plan to increase capital expenditure somewhat. The majority of investments will be made in the Supply Chain Business Unit, where we will be developing customised solutions for establishing and expanding business with new and existing customers in all sectors, with a focus on the United Kingdom and the Americas. In the Williams Lea Business Unit, we will invest primarily in Germany. We plan to implement customer-specific solutions in the printing services and document business.

We also intend to increase cross-divisional investments in 2010. As in the previous year, capital expenditure will focus on vehicles and IT. Moreover, we want to promote new environmental technologies as part of our GoGreen climate protection programme.

Increased electronic procurement

Over the coming year, we aim to increase our use of IT applications capable of making the procurement of goods and services more efficient. Our GeT electronic procurement system is to be extended to users in additional European countries. We also want to make greater use of e-sourcing in order to increase the efficiency and transparency of our procurement projects.

OPPORTUNITIES

Controlling processes support opportunity management

At Deutsche Post DHL, opportunity management is supported by the opportunity and risk controlling processes we have implemented throughout the Group. The way in which this process is organised is illustrated in the Risk Report.

Page 83 f.

We see significant opportunities in continuing to develop our markets as well as in our strategic positioning. We want to expand our services, improve our processes and take greater advantage of internal synergies. We also want to devote more attention to meeting the needs of our customers whilst improving our cost structure. Our idea management programme is expected to provide additional stimulus.

Opportunities arising from market trends

In connection with our corporate strategy, we have outlined the four main factors that influence our business. These factors provide the following opportunities:

Globalisation means that the growth of the logistics industry will continue to outpace the growth of national economies. Since we operate all over the world, we will have the opportunity to share in this growth, especially in rapidly growing regions such as Asia, where we are better represented than our competition.

Outsourcing logistics services is becoming increasingly popular with companies, which are asking for integrated solutions at every link in the supply chain. As the global market leader in contract logistics, we are in a better position than most to benefit from this trend.

Online communication and e-business are creating demand for the transport of documents and goods. This results in growth opportunities for us.

Environmental awareness on the part of customers brings opportunities for additional, above-average growth. Our customers want to reduce their carbon emissions permanently, which is why they are increasingly requesting energy-efficient transport and climate-neutral products. We lead our sector in this area, having been the first logistics company to offer our customers carbon-neutral mail, parcel and express products plus air and ocean freight transport.

Opportunities arising from our strategic market positioning

We are positioned to take advantage of all types of growth, whether global, regional, cross-sector or industry specific. Moreover, a key component of our corporate strategy is our promise to offer customers services that will make their lives easier and have lasting value. The following Group-wide initiatives are aimed at securing our organic growth in the coming years:

Our First Choice programme is geared towards improving our processes and aligning our services even more closely than before to the needs of our customers.

We see an opportunity here to increase customer satisfaction and foster greater loyalty amongst them.

Our new DSI unit pools the innovative activities within DHL with an eye towards developing new solutions using existing sector expertise. Here, we see an opportunity to make better use of our resources.

Sector Management, which is also new, gives us the opportunity to meet specific customer demands better in certain sectors and thus create additional synergies.

Our employees – an important source of ideas

Our innovative capacity assures our success. A particularly rich source of ideas for new products and improved processes are our employees. Thanks to their input, we have achieved considerable cost savings in past years, and we intend to continue doing so in the future.

Opportunities in the divisions

In the MAIL division, we are continuously optimising the costs for our transport and delivery network and making cost structures more flexible, which allow us to respond faster to changes in volumes. In addition, starting in 2010 we will begin offering the letter on the internet – a binding, confidential and reliable form of written electronic communication. Our intention is to win the interest of key accounts, and we are certain that we will be able to launch this product successfully.

Our EXPRESS division is directing its attention to its high-yield core business now that the US business has been restructured. The division's portfolio will be further streamlined through planned sales of European parcel services. Strict cost controls support the financial targets we have set. We are therefore well equipped to improve our earnings situation, especially once the economic crisis has passed.

In the GLOBAL FORWARDING, FREIGHT division, we are continuing to improve our modular service portfolio by offering more flexible combinations and sustainable solutions for customers. We see this as an opportunity to raise productivity, increase customer satisfaction, strictly limit costs and kick off new sales activities.

Our SUPPLY CHAIN division will continue to benefit from companies' willingness to outsource logistics services given the cost pressures that still persist everywhere. We will use our resources and our expertise to keep growing profitably and to provide our customers with high-quality services. Williams Lea won new contracts in the year under review, which will not only sharpen its profile, but also attest to the capability of the business unit with regard to potential new customers and thus paves the way for gaining additional long-term outsourcing contracts with key clients.

CORPORATE GOVERNANCE

B

LIVING RESPONSIBILITY – GoGreen

Our GoGreen programme was developed to establish a systematic approach to achieving our climate protection target. By 2020, we want to improve our carbon efficiency by 30 % over 2007 levels through efficient transport, optimised planning as well as the use of alternative energy sources and innovative technologies. This is how we do our part to reduce not only our carbon emissions but also our energy costs and, in turn, make a positive contribution to the environment. All of this makes us and our customers more competitive in the long term.

+30 %
carbon efficiency by 2020

Our aim: For every letter mailed, every container shipped and every square metre of space used, the Group aims to improve its carbon efficiency by 30 % over 2007 levels by 2020.

Our approach: We plan to hit our interim target of a 10 % improvement in carbon efficiency by 2012.

More information is available at www.dp-dhl.com/en/responsibility.html

REPORT OF THE SUPERVISORY BOARD

Wulf von Schimmelmann, Chairman

DEAR SHAREHOLDERS,

As part of the Group's new Strategy 2015, Deutsche Post DHL has set clear goals for itself: to remain *Die Post für Deutschland* (The Postal Service for Germany) and become The Logistics Company for the World. To achieve these goals, we intend to intensify our focus on customers, employees and investors, and we have set ambitious growth and profitability targets for 2015.

Despite this period of economic crisis, the Group succeeded in shoring up liquidity and stabilising earnings in 2009 thanks to strict cost management.

In addition, we implemented the strategic initiatives decided on in autumn 2008 and exited both the field of financial services and the domestic express business in the US.

Advising and overseeing the Board of Management

In 2009, the Supervisory Board devoted close attention to Strategy 2015. We also held detailed discussions on and monitored the Group's business performance, particularly with respect to the impact of the economic crisis. Other important topics included the restructuring of the US express business and the insolvency of Arcandor, a major customer in Germany.

All significant decisions were discussed in detail with the Board of Management, which reported to us regularly on the company's direction and focus, strategic initiatives and all key issues related to planning and implementation. It also informed us in a timely and comprehensive manner about business performance, key business transactions and projects in the divisions as well as the company's risk exposure and risk management. The Board of Management also provided the chairman of the Supervisory Board with continuous updates between Supervisory Board meetings.

Measures requiring the consent of the Supervisory Board were discussed in even greater depth. Such measures were deliberated in advance in the relevant committees, and the results of the deliberations were presented by the respective committee chairs at the Supervisory Board meetings.

Seven meetings during the reporting period

Five meetings were held in the first half of the year and two in the second half. All members participated in at least half of the meetings.

In a special meeting held on 14 January 2009, the Supervisory Board resolved on the changed transaction conditions for selling the company's stake in Deutsche Postbank AG to Deutsche Bank.

At the financial statements meeting on 25 February 2009, we discussed and approved the annual and consolidated financial statements for 2008 and approved the updated planning for financial year 2009. We also reviewed the efficiency of the Supervisory Board's work based on an updated questionnaire. The resignation from the Board of Management of John Mullen was accepted at this meeting, and the appointment of Ken Allen as a member of the Board of Management with responsibility for the EXPRESS division was resolved.

Following John Allan's decision at the start of the year to make use of his contractual right to resign his seat on the Board of Management as at 30 June 2009, we resolved in a special meeting held on 10 March 2009 to appoint Lawrence Rosen to the Board of Management with responsibility for Finance, Global Business Services. He took up this position on 1 September 2009. The Supervisory Board also took advantage of this special meeting to discuss the Group's new strategy in detail with the Board of Management and to approve it.

The committee appointments were resolved at the Supervisory Board meeting directly following the Annual General Meeting (AGM) of Deutsche Post AG on 21 April 2009. Please refer to page 105 for the current composition of the committees.

At the meeting held on 18 June 2009, the Supervisory Board resolved to renew Walter Scheurle's seat on the Board of Management and his Board of Management contract. It also resolved to have Dr Frank Appel assume interim responsibility for Finance from 1 July 2009 until Lawrence Rosen took up his position.

At the Supervisory Board meeting held on 11 September 2009, we discussed the implementation status of the strategy presented in March and resolved to renew Jürgen Gerdes' seat on the Board of Management for three years until 1 July 2010.

At the Supervisory Board's last meeting of the year on 7 December 2009, we approved the business plan for 2010 and decided on the future structure of the remuneration system for the Board of Management, amongst other things. More information on this can be found in the Remuneration Report starting on page 113. We also extended Jürgen Gerdes' seat on the Board of Management to five years and submitted our Declaration of Conformity with the 2009 German Corporate Governance Code.

Hard work by the committees

The Executive Committee met nine times during the year under review. The agenda focused primarily on Board of Management and Supervisory Board business, the development of a new remuneration system for the Board of Management and the appointment/reappointment of Board of Management members.

The Personnel Committee met twice, dealing mainly with human resources matters related to Strategy 2015 and the status of training and professional development within the Group.

The Finance and Audit Committee met eight times, with meetings chaired by Prof. Dr Ralf Krüger until 21 April and by Hero Brahms from 22 April. Hero Brahms is a financial expert on the *Bilanzrechtsmodernisierungsgesetz* (German act to modernise accounting law). At its February meeting, the committee examined the annual and consolidated financial statements for 2008 and reviewed the updated planning for financial year 2009. It discussed the interim reports and addressed the review of the interim financial report for the first half of the year. The auditors attended the committee's financial statements meeting and the meeting to discuss the interim financial report for the first half of the year.

The committee held regular discussions on the Group's business performance, particularly in view of the overall economic situation, the insolvency of Arcandor, the restructuring of the US express business and the downward trend on the mail market. It also occupied itself with the internal control system, especially internal auditing and compliance management in the Group. The committee approved the Audit Plan 2010 and also agreed that pension risk was being properly managed. Accounting and risk monitoring as well as co-operation with the auditors were also discussed in detail. Following the AGM, the Finance and Audit Committee hired the auditors to perform an audit of the annual and consolidated financial statements and to review the interim financial report for the first half of the year. The focal points of the audit were also determined.

The Nomination Committee met once in 2009 to recommend a successor to Prof. Dr Ralf Krüger to the Supervisory Board.

The Mediation Committee, which must be formed pursuant to Section 27 (3) of the *Mitbestimmungsgesetz* (German co-determination act), met twice in 2009 to discuss Board of Management matters.

The chairs of the committees reported on the committees' deliberations in the subsequent plenary meetings.

Changed Supervisory Board and Board of Management composition

The Annual General Meeting of 21 April 2009 elected the following shareholder representatives to a five-year term: Prof. Dr Henning Kagermann, who had been appointed a member of the Supervisory Board by the court on 18 February 2009, Dr Ulrich Schröder, who had previously been appointed a member of the Supervisory Board by the court as at 1 September 2008, and Dr Stefan Schulte. Prof. Dr Ralf Krüger left the Supervisory Board with effect from the end of the AGM on 21 April 2009. The employee representatives remained the same in 2009.

The following changes occurred on the company's Board of Management: John Mullen resigned his seat on the Board of Management effective 25 February 2009. As his successor, Ken Allen was appointed to the Board of Management with effect from 26 February 2009 to head up the EXPRESS division. John Allan resigned his seat on the Board of Management on 30 June 2009. Lawrence Rosen was appointed to the Board of Management on 10 March 2009 and took up his position as CFO of the company on 1 September 2009.

Company in compliance with all recommendations of the German Corporate Governance Code

In December 2009, the Board of Management and the Supervisory Board submitted an unqualified Declaration of Conformity pursuant to Section 161 of the *Aktiengesetz* (German stock corporation act) and published it on the company's website. The previous declarations can also be viewed on this website. In financial year 2009, Deutsche Post AG complied with all recommendations of the German Corporate Governance Code as amended on 6 June 2008. The company plans to continue complying with the recommendations of the Code as amended on 18 June 2009. The Corporate Governance Report on page 110 contains further information on corporate governance within the company as well as the Remuneration Report.

Annual and consolidated financial statements audited

The auditors appointed by the AGM, PricewaterhouseCoopers *Aktiengesellschaft Wirtschaftsprüfungsgesellschaft* (PwC), Düsseldorf, audited the annual and consolidated financial statements for financial year 2009, including the respective management reports, and issued unqualified audit opinions. PwC also conducted the review of the interim financial report for the first half of the year.

Following a detailed preliminary assessment by the Finance and Audit Committee, the Supervisory Board reviewed the annual and consolidated financial statements and the management reports for financial year 2009 at the financial statements meeting held on 8 March 2010. The review included the Board of Management's proposal for the appropriation of the unappropriated surplus. The auditors' reports were made available to all Supervisory Board members and were discussed in detail with the Board of Management and the auditors in attendance. The Supervisory Board concurred with the results of the audit and approved the annual and consolidated financial statements for financial year 2009. Based on the final outcome of the examination of the annual and consolidated financial statements, the management reports and the proposal for the appropriation of the unappropriated surplus by the Supervisory Board and the Finance and Audit Committee, there are no objections to be raised. The Supervisory Board endorses the Board of Management's proposal for the appropriation of the unappropriated surplus and the payment of a dividend of €0.60 per share.

We would like to thank the Board of Management and all the employees of the Group for their commitment and successful efforts throughout this difficult year. It is thanks to them that the Group was able to stand its ground so well during the economic crisis.

Bonn, 8 March 2010
The Supervisory Board

Wulf von Schimmelmann
Chairman

SUPERVISORY BOARD

B.01 Members of the Supervisory Board

Shareholder Representatives

Prof. Dr Wulf von Schimmelmann (Chairman)

Management Consultant

Willem G. van Agtmael

Managing Partner, E. Breuninger GmbH & Co.

Hero Brahms

Management Consultant

Werner Gatzer

State Secretary, Federal Ministry of Finance

Prof. Dr Henning Kagermann
(since 18 February 2009)

Former CEO of SAP AG

Roland Oetker

Managing Partner,
ROI Verwaltungsgesellschaft mbH

Harry Roels

Dr Ulrich Schröder

Chairman of the Board of Management
of KfW Bankengruppe

Dr Stefan Schulte (since 21 April 2009)

Deputy Chairman of the Board of Management of Fraport AG (until 31 August 2009)

Chairman of the Board of Management of Fraport AG (since 1 September 2009)

Elmar Toime

CEO of E Toime Consulting Ltd.

Left in financial year 2009:

Prof. Dr Ralf Krüger (until 21 April 2009)

Management Consultant

Employee Representatives

Andrea Kocsis (Deputy Chairwoman)

Deputy Chair of the ver.di National Executive Board and Head of the Federal Postal Services, Forwarding Companies and Logistics section, ver.di National Executive Board

Wolfgang Abel

District Chairman for Postal Services, Freight Forwarding and Logistics of the ver.di district of Hamburg

Rolf Bauermeister

Chairman for Postal Services, Co-determination and Youth and National Chairman for the Postal Services Section, ver.di National Headquarters

Heinrich Josef Busch

Chairman of the Deutsche Post AG
Executive Staff Representation Committee

Annette Harms

Chairwoman of the Works Council,
Deutsche Postbank AG, Hamburg

Thomas Koczelnik

Chairman of the Group Works Council
of Deutsche Post AG

Anke Kufalt

Member of the Works Council
of DHL Global Forwarding GmbH, Hamburg

Andreas Schädler

Chairman of the General Works Council
of Deutsche Post AG

Helga Thiel

Deputy Chairwoman of the General Works Council of Deutsche Post AG

Stefanie Weckesser

Member of the Works Council, Parcel Expert, Mail Branch Augsburg

B.02 Committees of the Supervisory Board

Executive Committee

Prof. Dr Wulf von Schimmelmann (Chairman)
Andrea Kocsis (Deputy Chairwoman)
Roland Oetker
Rolf Bauermeister
Werner Gatzer
Stefanie Weckesser

Finance and Audit Committee

Hero Brahms (Chairman)
Wolfgang Abel (Deputy Chairman)
Werner Gatzer
Thomas Koczelnik
Dr Stefan Schulte
Helga Thiel

Personnel Committee

Andrea Kocsis (Chairwoman)
Prof. Dr Wulf von Schimmelmann
(Deputy Chairman)
Roland Oetker
Thomas Koczelnik

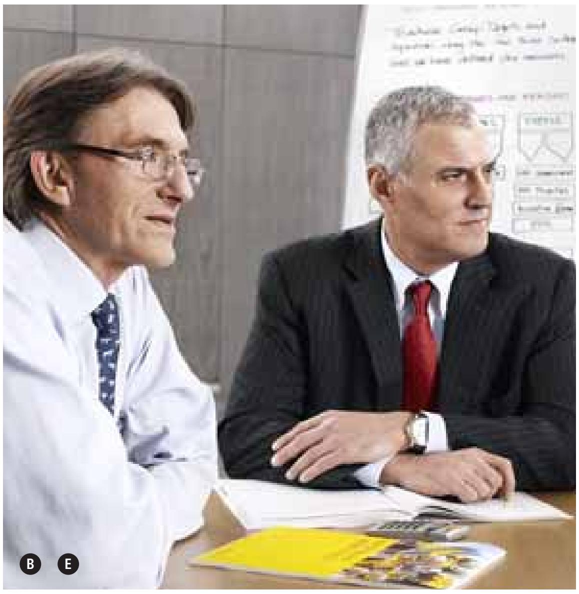
Mediation Committee
(pursuant to Section 27 (3) of the German co-determination act)

Prof. Dr Wulf von Schimmelmann (Chairman)
Andrea Kocsis (Deputy Chairwoman)
Roland Oetker
Rolf Bauermeister

Nomination Committee

Prof. Dr Wulf von Schimmelmann (Chairman)
Roland Oetker
Werner Gatzer

BOARD OF MANAGEMENT



A Dr Frank Appel
Chief Executive Officer

Born in 1961, member of the Board of Management since 2002, appointed until October 2012, CEO with responsibility for the Corporate Office, Corporate Legal Departments, Corporate Executives, Corporate Communications, Corporate Development, Corporate Regulation Management, Corporate First Choice, Corporate Public Policy and Responsibility, as well as HR DHL International and DHL Solutions & Innovations. He is also responsible for the cross-divisional sales organisation for the Group's major customers (Global Customer Solutions). From 1 July to 30 August 2009, he was also interim head of Finance, Global Business Services.

B Ken Allen
EXPRESS

Born in 1952, member of the Board of Management since 26 February 2009, appointed until February 2012, responsible for the EXPRESS division.

C Bruce Edwards
SUPPLY CHAIN

Born in 1955, member of the Board of Management since 2008, appointed until March 2016, responsible for the SUPPLY CHAIN division.

D Jürgen Gerdes
MAIL

Born in 1964, member of the Board of Management since 2007, appointed until June 2015, responsible for the MAIL division.

E Lawrence Rosen
Finance, Global Business Services

Born in 1957, member of the Board of Management since 1 September 2009, appointed until August 2012, responsible for Finance, including Controlling, Corporate Accounting and Reporting, Investor Relations, Corporate Finance, Corporate Audit/Security and Taxes, as well as Global Business Services.

F Walter Scheurle
Personnel

Born in 1952, member of the Board of Management since 2000, appointed until March 2013, responsible for Personnel, including HR Standards, HR Guidelines, Personnel & Labor Management and HR Mail.

G Hermann Ude
GLOBAL FORWARDING, FREIGHT

Born in 1961, member of the Board of Management since 2008, appointed until March 2016, responsible for the GLOBAL FORWARDING, FREIGHT division.

Financial Year 2009

Dr Frank Appel Chief Executive Officer	**John Mullen** (until 25 February 2009) EXPRESS
John Allan (until 30 June 2009) Finance, Global Business Services	**Lawrence Rosen** (since 1 September 2009) Finance, Global Business Services
Ken Allen (since 26 February 2009) EXPRESS	**Walter Scheurle** Personnel
Bruce Edwards SUPPLY CHAIN	**Hermann Ude** GLOBAL FORWARDING, FREIGHT
Jürgen Gerdes MAIL	

B.03 MANDATES HELD BY THE BOARD OF MANAGEMENT

Statutory Mandates

Dr Frank Appel

Deutsche Postbank AG[1]
(Supervisory Board, Chair)

Lawrence Rosen

Deutsche Postbank AG, since 10 September 2009[1]
(Supervisory Board)

Left in financial year 2009:

John Allan (until 30 June 2009)

Deutsche Postbank AG[1]
Deutsche Lufthansa AG

Comparable Mandates

Bruce Edwards

Ashtead plc (Board of Directors)
Exel Automocion, S.A. de C.V.[1]
(Board of Directors)
Exel Investments Limited
(Board of Directors)
Exel Limited[1] (Board of Directors)
Exel Logistics, S.A. de C.V.[1]
(Board of Directors)
Exel North American Logistics, S.A. de C.V.[1]
(Board of Directors)
Exel Servicios, S.A. de C.V.[1]
(Board of Directors)
Exel Supply Chain Services de México, S.A. DE C.V.[1]
(Board of Directors)
Greif, Inc. (Board of Directors)
Hyperion Inmobiliaria, S.A. de C.V.[1]
(Board of Directors)
Tibbett & Britten Group Limited[1]
(Board of Directors)
Williams Lea Group Limited[1]
(Board of Directors)
Williams Lea Holdings plc[1]
(Board of Directors, Chair)

Jürgen Gerdes

Global Mail, Inc. (Board of Directors)[1]

Walter Scheurle

Bundesanstalt für Post und Telekommunikation
(Administrative Board)

Hermann Ude

Fraport AG (Advisory Board)
Deutsches Verkehrsforum (Presidium)

Left in financial year 2009:

John Allan (until 30 June 2009)

National Grid plc (Non-Executive Director)
ISS A/S (Board of Directors)

John Mullen (until 25 February 2009)

Embarq Corp. (USA, Non-Executive Director)
Telstra Corp. Ltd. (USA, Non-Executive Director)

1) Group mandate

B.04 MANDATES HELD BY THE SUPERVISORY BOARD

Shareholder representatives

Statutory mandates

Prof. Dr Wulf von Schimmelmann (Chairman)

Maxingvest AG
Deutsche Telekom AG, until 31 December 2009

Hero Brahms

Georgsmarienhütte Holding GmbH (Deputy Chair)
Wincor Nixdorf AG
Live Holding AG
Telefunken Holding AG (Chair), since 1 May 2009

Werner Gatzer

KfW IPEX-Bank GmbH
g.e.b.b. mbH
Bundesdruckerei GmbH, since 10 December 2009
ÖPP Deutschland AG

Prof. Dr Henning Kagermann
(since 18 February 2009)

Deutsche Bank AG
Münchener Rückversicherungs-Gesellschaft AG

Roland Oetker

Volkswagen AG

Dr Ulrich Schröder

ProHealth AG, until 1 September 2009
Deutsche Telekom AG
KfW IPEX-Bank GmbH, since 1 October 2009
DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, since 1 October 2009

Dr Stefan Schulte (since 21 April 2009)

Delvag Luftfahrtversicherungs-AG, until 8 May 2009
Delvag Rückversicherungs-AG, until 8 May 2009

Left in financial year 2009:

Prof. Dr Ralf Krüger (until 21 April 2009)

Deutsche Postbank AG
DIAMOS AG (Chair)
KMS AG (Chair), until 4 June 2009
KMS Asset Management AG (Chair), until 4 June 2009

Comparable mandates

Prof. Dr Wulf von Schimmelmann (Chairman)

Accenture Corp., USA (Board of Directors)
BAWAG P.S.K., Österreich (Supervisory Board, Chair), until 15 October 2009
Western Union Company, USA (Board of Directors), since 24 April 2009

Willem G. van Agtmael

Energie Baden-Württemberg AG (Advisory Board)
Landesbank Baden-Württemberg (Advisory Board)
L-Bank (Advisory Board)

Hero Brahms

M.M. Warburg & CO KGaA (Shareholders' Committee)
Zumtobel AG (Supervisory Board, Deputy Chair)

Werner Gatzer

Bundesanstalt für Immobilienaufgaben (Administrative Board, Chair)
Bundesdruckerei GmbH (Advisory Board), since 10 December 2009

Prof. Dr Henning Kagermann
(since 18 February 2009)

Nokia Corporation, Finland (Board of Directors)
Wipro Ltd., India (Board of Directors), since 27 October 2009

Roland Oetker

Dr. August Oetker KG (Advisory Board, Deputy Chair)
RAG-Stiftung (Board of Trustees)

Harry Roels

Allianz AG (Advisory Board)
Deutsches Stiftungszentrum GmbH (Administrative Board)

Dr Stefan Schulte (since 21 April 2009)

Frankfurter Sparkasse (Administrative Board), until 30 June 2009

Elmar Toime

Blackbay Ltd., United Kingdom (Non-Executive Director)
SKYCITY Entertainment Group Ltd., New Zealand (Non-Executive Director), until 30 October 2009
message AG (Non-Executive Chairman)
Postea Inc. (Non-Executive Chairman)

Left in financial year 2009:

Prof. Dr Ralf Krüger (until 21 April 2009)

SIREO REAL ESTATE ASSET MANAGEMENT GmbH (Advisory Board)

Employee representatives

Statutory mandates

Annette Harms (Deputy Chairwoman)

Deutsche Postbank AG

Rolf Bauermeister

Deutsche Postbank AG

Andreas Schädler

PSD Bank Köln eG (Chair)

Helga Thiel

PSD Bank Köln eG

Comparable mandate

Andreas Schädler

Bundesanstalt für Post- und Telekommunikation (Administrative Board)

CORPORATE GOVERNANCE REPORT

(Annual Corporate Governance Statement pursuant to Section 289a of the HGB)

dp-dhl.com/en/investors.html

In this Annual Corporate Governance Statement, Deutsche Post DHL presents the main components of its corporate governance structure. These include the Declaration of Conformity from the Board of Management and Supervisory Board, information on corporate governance practices that significantly exceed the legal requirements, information on the working methods of the Board of Management and the Supervisory Board and details regarding the composition and working methods of their committees.

Company in compliance with all recommendations of the German Corporate Governance Code

In December 2009, the Board of Management and the Supervisory Board again submitted an unqualified Declaration of Conformity pursuant to Section 161 of the *Aktiengesetz* (German stock corporation act), which reads as follows:

"The Board of Management and the Supervisory Board of Deutsche Post AG declare that the recommendations made by the Government Commission on the German Corporate Governance Code as amended on 6 June 2008 have been complied with since the last Declaration of Conformity in December 2008, and that Deutsche Post AG intends to comply with all recommendations of the Code as amended on 18 June 2009 in the future. Pursuant to section 3.8 (3), the deductible for members of the Supervisory Board will be raised to the required level upon the next adjustment of insurance policies in the first half of 2010."

We also implemented the suggestions set forth in the Code, with one exception: the Annual General Meeting will only be broadcast on the internet until the start of the general debate.

Specific corporate governance practices

Our guiding principle in corporate management is Respect and Results. This has evolved from the daily challenges of achieving first-class results whilst adhering to our sense of responsibility for the needs of our employees and customers. We show respect towards our shareholders by making our challenges public and clearly stating how we intend to overcome them. We are well aware of the effect our corporate activities have on society. Therefore, we respect everyone with whom we interact and the environment in which we live. From this guiding principle, we derive our three most important leadership values: openness, responsibility and passion. These help us to find a balance between respect and results.

As a globally operating company and corporate citizen, we bear great responsibility for the environment and the living conditions in the regions in which we operate. This is a responsibility that we take seriously. Our sustainability strategy rests on the core competencies of the company and the experience of our employees. Our goal is to achieve demonstrable benefits for society and to keep any negative impact our business has on the environment to a minimum. We want to lead the way in innovative and sustainable logistics solutions. The idea of sustainability drives innovations and opens up new business opportunities, which gives us competitive advantages.

Our sustainability strategy focuses on three areas: the Group's GoGreen programme is aimed at achieving the Group's climate protection targets. Our second focus is GoHelp. Here we apply our expertise towards improving living conditions for people in disaster areas. The third expression of our commitment to society is our support of education. We created the GoTeach project to further this purpose.

In 2009, Deutsche Post DHL was honoured with the German Sustainability Award in the category of Most Sustainable Strategy, recognising our comprehensive strategy for economic, ecological and social responsibility.

Code of Conduct and compliance management

Deutsche Post DHL has developed a Code of Conduct that has been applicable in all regions and in all divisions since mid-2006. The Code of Conduct lays down guidelines for day-to-day workplace conduct for our approximately 500,000 employees.

Its cornerstones are respect, tolerance, honesty, openness, integrity vis-à-vis employees and customers and willingness as a company to assume social responsibility. The guidelines apply to employees at all hierarchical levels and in all divisions.

The compliance organisation at Deutsche Post DHL comprises the Compliance Committee, the Global Compliance Office – including the Regional Compliance Offices – and the Integrity Board. The Compliance Committee makes decisions on the fundamental requirements of compliance management and any necessary measures. It is supported by the Global Compliance Office and currently 14 Regional Compliance Offices, and it reports directly to the Board of Management. An Integrity Board, which is made up of both internal and external specialists, advises the Compliance Committee. Compliance management at Deutsche Post DHL is reviewed and improved on an ongoing basis.

To supplement the Code of Conduct, two guidelines were issued in 2009. An anti-corruption guideline gives specific guidance on avoiding corruption in accordance with the provisions of the Code of Conduct, including clear instructions on how to handle gifts, benefits and offers of hospitality. A competition guideline gives specific guidance on the prohibition of agreements with competitors.

The Code of Conduct for suppliers obligates them to adhere to ethical and ecological standards. Since the reporting year, these have expressly included a ban on child and forced labour as well as discrimination. Wages and working hours must correspond with national laws and regulations, and unlawful payments (bribery) are prohibited. The Code of Conduct for suppliers has been included in all new procurement contracts and added to existing long-term framework agreements since 2007.

In addition, we provide various obligatory online training programmes for specific target groups. The sustainability of our compliance processes is regularly reviewed by Internal Audit.

Working methods of the Board of Management and the Supervisory Board

As a German listed public limited company, Deutsche Post follows a dual management system. The Board of Management is responsible for the management of the company. It is appointed, overseen and advised by the Supervisory Board.

In addition to the board departments of the CEO, CFO and the Board Member for Personnel, the Board of Management also includes the operating board departments of MAIL, GLOBAL FORWARDING, FREIGHT, EXPRESS and SUPPLY CHAIN.

With the consent of the Supervisory Board, the Board of Management has established rules of procedure that lay down objectives for structure, management and co-operation within the Board of Management. Within this framework, each member of the Board of Management manages his board department independently and informs the rest of the Board on key developments at regular intervals. The Board of Management as a whole decides on matters of particular significance for the company or the Group. In addition to tasks that it is prohibited by law from delegating, these include all decisions that must be presented to the Supervisory Board for approval. The entire Board of Management also decides on matters brought forth by one member of the Board of Management for decision by the Board of Management as a whole.

In making their decisions, the members of the Board of Management may not pursue personal interests or exploit business opportunities due to the company for their own benefit. They are required to disclose any conflicts of interest to the Supervisory Board without delay.

The Supervisory Board advises and oversees the Board of Management and appoints the members of the Board of Management. It has established rules of procedure that include the fundamental principals of its internal structure, a catalogue of Board of Management transactions requiring its approval and rules for the Supervisory Board committees. It meets at least twice every six months based on the calendar year. Special meetings are held whenever significant events so dictate. In financial year 2009, the Supervisory Board met for seven plenary meetings and 21 committee meetings, as described in the Report of the Supervisory Board starting on page 102.

The Board of Management and the Supervisory Board are in regular contact regarding strategic measures, planning, business development, risk exposure and risk management as well as company compliance. The Board of Management informs the Supervisory Board promptly and comprehensively on all topics of significance.

All Supervisory Board decisions, particularly those concerning transactions that require its approval, are deliberated extensively in the relevant committees. At each plenary meeting, the Supervisory Board is informed in detail about the work of its committees.

In making their decisions, the members of the Supervisory Board may not pursue personal interests or exploit business opportunities due to the company for their own benefit. They are required to disclose any conflicts of interest to the Supervisory Board. Any significant conflicts of interest on the part of a Supervisory Board member that are not merely temporary in nature lead to that member's resignation from the Board.

Executive committees and Supervisory Board committees

Below the Board of Management level, important decisions are taken in so-called executive committees, which also prepare decisions to be made by the Board of Management as a whole. The executive committees are responsible for strategy, acquisitions and major board department investments, amongst other things.

The MAIL Steering Committee is responsible for the MAIL division, and the cross-divisional DHL Executive Committee is in charge of the EXPRESS, GLOBAL FORWARDING, FREIGHT and SUPPLY CHAIN divisions. The CEO, the CFO and the respective board members are represented on the committees. In addition, the Board Member for Personnel is a member of the MAIL Steering Committee. Along with the relevant members of the Board of Management, the executive committees also include second-tier executives, in some cases on a permanent basis – for example those responsible for the operating business – and in some cases to assist with special topics. Procurement and Controlling are called in to consult on capital expenditure, for instance, and Finance, Corporate Development and Legal Services in the case of acquisitions.

The DHL Executive Committee generally meets twice per month and the MAIL Steering Committee once.

Furthermore, business review meetings take place once per quarter. These meetings are part of the strategic performance dialogue between the divisions, the CEO and the CFO. They comprise discussions on strategic measures, operating topics and the budget situation of the operating board departments.

The Supervisory Board has formed five committees to ensure efficient discharge of its duties. The Report of the Supervisory Board starting on page 102 gives details on the composition and working methods of the committees.

The Supervisory Board committees prepare the resolutions of the plenary meetings of the Supervisory Board. Decisions on certain topics are delegated by the Supervisory Board to the individual committees for final decision.

REMUNERATION REPORT

The remuneration report also forms part of the Group Management Report.

Remuneration structure of the Group Board of Management in financial year 2009

The total remuneration paid to the individual Board of Management members for financial year 2009 was determined by the Supervisory Board or, more specifically, by its Executive Committee, which is headed by the chairman of the Supervisory Board. After holding consultations, the Supervisory Board resolved on the remuneration system for the Board of Management – including the main contractual elements – based on the recommendations submitted by the Executive Committee. The remuneration of the Board of Management reflects the size and global reach of the company, its economic and financial situation and the roles fulfilled by the individual members. It is set to ensure competitiveness with comparable German and international companies, thus incentivising the Board of Management members to deliver maximum performance and achieve results.

The remuneration of the Board of Management for 2009 is in line with standard market practice, appropriate to the tasks involved and designed to reward performance; it comprises fixed and variable elements as well as long-term incentives.

Non-performance-related components are the fixed annual remuneration (annual base salary), fringe benefits and pension commitments. The fixed annual remuneration is paid in 12 equal monthly instalments retroactively at the end of each month. Fringe benefits mainly comprise the use of company cars and supplements for insurance premiums as well as special allowances and benefits for assignments outside the home country.

The variable remuneration components for 2009 comprise one component linked to the company's annual profits (annual performance-related remuneration) and one long-term incentive component (the Long-Term Incentive Plan).

The amount of the annual performance-related component (the annual bonus) is set at the due discretion of the Supervisory Board on the basis of the company's performance. The individual bonus amounts reflect the extent to which predefined targets are achieved, missed or exceeded. The Group's EBIT after asset charge performance metric is the main parameter used in this calculation. For the Board of Management members in charge of the MAIL, GLOBAL FORWARDING, FREIGHT, EXPRESS and SUPPLY CHAIN divisions, the EBIT after asset charge of their respective division is also a key parameter. Achievement of the upper target for the financial year is rewarded with the maximum annual performance-related remuneration (annual bonus). The maximum annual bonus opportunity is 100% of the fixed annual remuneration. In addition, the Supervisory Board may elect to award an appropriate special bonus for extraordinary achievement.

The remuneration component linked to the company's annual profits now also includes a sustainability component in line with the provisions of the *Gesetz zur Angemessenheit der Vorstandsvergütung* (VorstAG – Act on the appropriateness of management board remuneration), which came into force on 5 August 2009. It will be taken into account in employment contracts and contract renewals entered into after 5 August 2009, increasing the emphasis on sustainable company development in determining management board remuneration. For such contracts, the annual performance-related remuneration will in future no longer be paid in full for the year on the basis of having reached the agreed targets. Instead, 50% of the annual performance-related remuneration will flow into a new medium-term component with a three-year calculation period (performance phase of one year, sustainability phase of two years). This medium-term component will be paid out after expiry of the sustainability phase subject to the condition that the targets related to reported EBIT after asset charge (including the asset charge on goodwill and before goodwill impairment) have been reached during the sustainability phase. If the sustainability criteria are not met, the payment is forfeited without compensation. This demerit system puts greater emphasis on sustainable company development in determining management board remuneration.

Stock appreciation rights (SAR) are granted as a long-term remuneration component based on the Long-Term Incentive Plan resolved by the Supervisory Board in 2006 (2006 LTIP).

Each SAR entitles the holder to receive a cash settlement equal to the difference between the average closing price of Deutsche Post shares for the five trading days preceding the exercise date and the exercise price of the SAR. In 2009, the members of the Board of Management each invested 10% of their annual target salary per tranche in Deutsche Post shares. When the stock appreciation rights were granted as part of the allocation procedure in 2009, the lock-up period was increased from three to four years. After expiration of the lock-up period, the stock appreciation rights can be exercised wholly or partially for a period of two years, provided an absolute or relative performance target has been achieved. Any stock appreciation rights not exercised during this two-year period will lapse.

To determine how many – if any – of the stock appreciation rights granted can be exercised, the average share price or the average index value is compared for the reference period and for the performance period. The reference period comprises the last 20 consecutive trading days prior to the issue date. The performance period is the last 60 trading days prior to the end of the lock-up period. The average share price (closing price) is calculated as the average closing price of Deutsche Post shares in Deutsche Börse AG's Xetra electronic trading system.

A maximum of four out of every six stock appreciation rights can be "earned" via the absolute performance target and a maximum of two via the relative performance target. If neither an absolute nor a relative performance target is met by the end of the lock-up period, the stock appreciation rights of the related tranche will lapse and no replacement or compensation of any kind will be provided.

One SAR is earned each time the closing price of Deutsche Post shares exceeds the issue price by at least 10%, 15%, 20% or 25%. The relative performance target is tied to the performance of the shares in relation to the performance of the Dow Jones STOXX 600 Index (SXXP; ISIN EU0009658202). The target is met if the share price is not outperformed by the index during the performance period or if it outperforms the index by at least 10%.

The Long-Term Incentive Plan is being continued in contracts entered into after 5 August 2009 and in contract renewals, although the amount to be invested by individual Board members is now 10% of their annual base salary. Remuneration from stock appreciation rights is limited to 300% of the targeted cash remuneration (annual base salary plus the targeted annual performance-related remuneration).

Provisions to cap severance payments pursuant to the Corporate Governance Code recommendation, change-of-control provisions and post-contractual non-compete clauses starting in 2008

In accordance with the recommendation of Section 4.2.3 of the German Corporate Governance Code as amended on 6 June 2008, the Board of Management contracts newly concluded since financial year 2008 contain a provision stipulating that in the event of premature termination of a Board of Management member's contract without good cause, the severance payment may compensate no more than the remaining term of the contract. The severance payment is limited to a maximum value of two years' remuneration including fringe benefits (severance payment cap).

In the event of a change in control, the members of the Board of Management are entitled to resign their offices for good cause within a period of six months following the change in control, after giving three months' notice to the end of the month, and to terminate their Board of Management contract (right to early termination).

The contractual provisions stipulate that a change of control exists if a shareholder has acquired control within the meaning of Section 29 (2) of the *Wertpapiererwerbs- und Übernahmegesetz* (German securities acquisition and takeover act) via possession of at least 30% of the voting rights, including the voting rights attributable to such shareholder by virtue of acting in concert with other shareholders as set forth in Section 30 of the German securities acquisition and takeover act, or if a control agreement has been concluded with the company as a dependent entity in accordance with Section 291 of the *Aktiengesetz* (German stock corporation act) and such agreement has taken effect, or if the company has merged with another legal entity outside of the Group pursuant to Section 2 of the *Umwandlungsgesetz* (German reorganisation and transformation act), unless the value of such other legal entity as determined by the agreed conversion rate is less than 50% of the value of the company.

In the event that the right to early termination is exercised or a Board of Management contract is terminated by mutual consent within nine months of the change in control, the Board of Management member is entitled to payment to compensate the remaining term of his Board of Management contract. Such payment is limited to 150% of the severance payment cap pursuant to the recommendation of the Germany Corporate Governance Code. The amount of the payment is reduced by 25% if the Board of Management member has not reached the age of 60 upon leaving the company. If the remaining term of the Board of Management contract is less than two years and the Board of Management member has not reached the age of 62 upon leaving the company, the payment will correspond to the severance payment cap. The same applies if a Board of Management contract expires prior to the Board of Management member's reaching the age of 62 because less than nine months remained on the term of the contract at the time of the change in control and the contract was not renewed.

A non-compete clause effective for two years after the end of the contract is also stipulated for Board of Management members. During the non-compete period, they receive 50% (or 75% in the case of Lawrence Rosen) of their last contractually stipulated fixed annual remuneration (annual base salary) on a pro rata basis as compensation each month. Any other earned income is generally deducted from the compensation paid during the non-compete period, provided such other income – together with the compensation payment – exceeds the last fixed remuneration paid on a monthly basis. The amount of the compensation payment itself is deducted from any severance payments or pension payments. Prior to or concurrent with cessation of the Board of Management contract, the company may declare its waiver of adherence to the non-compete clause. In such case, the company will be released from the obligation to pay compensation due to a restraint on competition six months after receipt of such declaration. The contract with Lawrence Rosen does not provide for such a unilateral waiver option.

Other provisions

Lawrence Rosen will receive payments in 2010, 2011 and 2012 amounting to a total of €2.55 million to compensate him for rights that have lapsed as a result of his transfer to Deutsche Post AG.

In accordance with a provision contained in his contract of employment, John Allan is subject to a two-year non-compete clause after leaving the company. For the duration of this two-year period, he will receive 50% of his last pro-rata fixed annual remuneration (€47,031 per month). If any other income is received exceeding half of the fixed annual remuneration, the compensation paid during the non-compete period will be deducted by such amount.

The employment contract with John Mullen was terminated effective 28 February 2010. His remuneration will be paid until such date. He will then receive severance payment equal to the remaining entitlement from his contract, which originally extended until 31 December 2010. Beyond this, no other severance payments have been agreed on in connection with the cessation of his contract.

Apart from the aforementioned arrangements, no member of the Board of Management has been promised any further benefits after leaving the company.

The remuneration paid to active members of the Board of Management in financial year 2009 totalled €14.92 million (previous year: €11.89 million). This amount comprised €9.81 million in non-performance-related components (previous year: €9.01 million) and €5.11 million in performance-related components (previous year: €2.88 million). The members of the Board of Management were granted a total of 1,800,000 stock appreciation rights in financial year 2009 with a total value of €7.25 million (previous year: €4.78 million) at the time of issue (1 July 2009).

Amount of remuneration paid to active members of the Group Board of Management in financial year 2009

The following table presents the total remuneration paid to active Board of Management members:

B.05 Remuneration of the Group Board of Management, 2009: cash components

€	Non-performance-related		Performance-related	
Board members	Fixed annual remuneration	Fringe benefits	Annual performance-related remuneration	Total
Dr Frank Appel, Chairman	1,582,831	27,969	1,376,430	2,987,230
John Allan (until 30 June 2009)	564,375	353,658	490,781	1,408,814
Ken Allen (since 26 Feb. 2009)	602,217	84,677	562,953	1,249,847
Bruce Edwards	860,001	141,851	373,928	1,375,780
Jürgen Gerdes	787,500	27,972	639,529	1,455,001
John Mullen (until 24 Feb. 2009)	161,832	160,594	218,416	540,842
Walter Scheurle	860,000	22,656	747,856	1,630,512
Hermann Ude	715,000	15,322	455,670	1,185,992
Lawrence Rosen (since 1 Sep. 2009)	286,667	8,001	249,285	543,953

B.06 Remuneration of the Group Board of Management, 2009: components with long-term incentive effect

€ Active board members	Number of SAR	Value of SAR on grant date (1 July 2009)	Change in value of total SAR granted from 2006 to 2009 on 31 Dec. 2009 compared with value on grant date
Dr Frank Appel, Chairman	360,000	1,450,800	–1,685,900
Ken Allen (since 26 Feb. 2009)	240,000	967,200	145,919
Bruce Edwards	240,000	967,200	–229,829
Jürgen Gerdes	240,000	967,200	–656,270
Walter Scheurle	240,000	967,200	–1,738,900
Hermann Ude	240,000	967,200	–122,943
Lawrence Rosen (since 1 Sep. 2009)	240,000	967,200	446,400

Amount of remuneration paid to the Group Board of Management in the previous year (2008)

B.07 Remuneration of the Group Board of Management, 2008: cash components

€	Non-performance-related		Performance-related	
Board members	Fixed annual remuneration	Fringe benefits	Annual performance-related remuneration	Total
Dr Frank Appel (Chairman since 18 Feb. 2008)	1,429,205	28,387	0	1,457,592
John Allan	1,046,580	593,906	0	1,640,486
Bruce Edwards (since 4 March 2008)	715,760	40,331	0	756,910
Jürgen Gerdes	715,000	37,222	0	752,222
John Mullen	1,139,871	767,765	0	1,907,636
Walter Scheurle	860,000	23,891	0	883,891
Hermann Ude (since 4 March 2008)	590,067	12,603	0	602,670

B.08 Remuneration of the Group Board of Management, 2008: components with long-term incentive effect

€ Board members	Number of SAR	Value of SAR on grant date (1 July 2008)	Change in value of total SAR granted from 2006 to 2008 on 31 Dec. 2008 compared with value on grant date
Dr Frank Appel (Chairman since 18 Feb. 2008)	360,000	955,650	–1,955,050
John Allan	240,000	637,100	–420,650
Bruce Edwards (since 4 March 2008)	240,000	637,100	–527,064
Jürgen Gerdes	240,000	637,100	–895,664
John Mullen	230,000	637,100	–1,895,000
Walter Scheurle	240,000	637,100	–1,895,000
Hermann Ude (since 4 March 2008)	240,000	637,100	–422,076

Pension commitments under the previous system

The members of the Board of Management have direct pension commitments on the basis of their individual contracts, providing for benefits in case of permanent disability, death or retirement. If the contract of a member ends after at least five years of service on the Board of Management, the entitlements he has acquired will vest. Members become entitled to benefits due to permanent disability after at least five years of service.

Eligibility for retirement benefits begins at the earliest at the age of 55, or at the age of 62 in the case of Jürgen Gerdes. The members of the Board of Management may choose between regular pension payments and a lump sum. The benefit amount depends on the pensionable income and the pension level derived from the years of service.

Pensionable income consists of the fixed annual remuneration (annual base salary) computed on the basis of the average salary of the last 12 months of employment. Members of the Board of Management appointed for the first time between 2002 and 2007 attain a pension level of 25% after five years of service on the Board of Management. The maximum pension level of 50% is attained after ten years of service. For active Board of Management members appointed prior to 2002, the maximum pension level is 60%. Depending on the individual contractual arrangements, the pension level increases gradually based on either the period of service or the periods of appointment on the Board of Management. Subsequent pension benefits increase or decrease to reflect changes in the consumer price index in Germany.

B.09 Individual pension commitments under the previous system in financial year 2009

	Pension commitments		
	Pension level on 31 Dec. 2009 %	Maximum pension level %	Service cost for pension obligation Financial year 2009 €
Dr Frank Appel, Chairman	25	50	415,539
Jürgen Gerdes[1]	0	50	117,912
John Mullen (until 24 Feb. 2009)	45	50	674,211[2]
Walter Scheurle	30	60	506,408
Total			**1,714,070**

1) Minimum period not yet complete. In the event of benefits being paid, the provisions of the previous system will apply.
2) Cost for the entire year.

B.10 Individual pension commitments under the previous system in 2008

	Pension commitments		
	Pension level on 31 Dec. 2008 %	Maximum pension level %	Service cost for pension obligation Financial year 2008 €
Dr Frank Appel (Chairman since 18 Feb. 2008)	25	50	444,897[1]
Jürgen Gerdes[2]	0	50	112,312
John Mullen	35	50	546,824
Walter Scheurle	30	60	528,795

1) Increase in benefits due to assumption of chairmanship of the Board of Management.
2) Minimum period not yet complete. In the event of benefits being paid, the provisions of the previous system will apply.

Pension commitments under the new system

The pension commitment system was restructured in financial year 2008. Starting on 4 March 2008, newly appointed Board of Management members will receive pension commitments based on a defined contribution plan rather than the previous commitments, which were based on final salary.

Under the new defined contribution pension plan, the company has credited an annual amount of 25% of the fixed annual remuneration to a virtual pension account for the Board of Management members concerned. The maximum contribution period is 15 years. Interest is paid on the pension capital at the rate applicable to pension provisions recognised for tax purposes until the pension is drawn or the Board of Management member leaves the company. The pension benefits are paid out in a lump sum in the amount of the value accumulated in the pension account. The benefits fall due when the Board of Management member reaches the age of 62 or in the case of invalidity or death whilst being employed. The pension beneficiary may opt to receive a pension in lieu of a lump-sum payment. If this option is exercised, the capital is converted to a pension on the basis of the relevant tax base, taking into account the individual data of the surviving dependents and a future pension increase of 1%. If the Board of Management member leaves the company before the benefits fall due, the pension account will be maintained at the balance existing at the time the member left the company. The account will no longer accrue interest and no further contributions will be paid.

The new pension system is applicable to Board of Management members Ken Allen, Bruce Edwards, Lawrence Rosen and Hermann Ude. The pension commitment made to Hermann Ude contains an arrangement guaranteeing him a minimum benefit in the amount of the benefits payable to him had his former pension commitment been continued using the assessment basis applicable at the time of his appointment to the Board of Management.

B.11 Individual pension commitments under the new system in financial year 2009

€	Total contribution for 2009	Pension account balance as at 31 Dec. 2009	Service cost for pension obligation Financial year 2009
Ken Allen[1]	148,958[3]	156,370	150,597[6]
Bruce Edwards	215,000	406,460	221,591
Lawrence Rosen[2]	871,667[4]	888,763	70,234[6]
Hermann Ude	178,750	704,793[5]	177,182
Total			**619,604**

1) Member of the Board of Management since 26 February 2009. 2) Member of the Board of Management since 1 September 2009. 3) Pro-rata amount for 10 months. 4) Pro-rata amount for four months plus start-up capital of €800,000. 5) Minimum payment in the event of death: €929,765; minimum payment in the event of invalidity: €1,606,058 (as at 31 December 2009). 6) Notional amount as at 1 January 2009, calculated at an interest rate of 5.75%.

B.12 Individual pension commitments under the new system in 2008

€	Total contribution for 2008	Pension account balance as at 31 Dec. 2008	Service cost for pension obligation Financial year 2008
Hermann Ude[1]	465,361[2]	486,149	133,647
Bruce Edwards[1]	134,063	140,052	137,565

1) Member of the Board of Management since 4 March 2008.
2) Including starting balance of €331,298 to replace his previous pension commitment.

Benefits of former Board of Management members

Benefits paid to former members of the Board of Management or their surviving dependants amounted to €8.1 million in financial year 2009 (previous year: €43.1 million). The defined benefit obligations (DBO) for current pensions calculated under IFRS amount to €26.1 million (previous year: €25.3 million).

Supervisory Board remuneration

In accordance with Article 17 of the Articles of Association of Deutsche Post AG as adopted by the AGM, the annual remuneration of the members of the Supervisory Board comprises a fixed component, a short-term performance-related component and a performance-related component with a long-term incentive effect.

The fixed component amounts to €20,000, and the short-term performance-related component to €300 for every €0.03 by which the consolidated net profit per share exceeds the amount of €0.50 in the financial year in question. In 2009, the consolidated net profit per share was €0.53 and therefore exceeded the amount of €0.50 once by €0.03. For financial year 2009, the members of the Supervisory Board are entitled to annual performance-related remuneration with a long-term incentive effect of €300 for every 3% by which the consolidated net profit per share for financial year 2011 exceeds the consolidated net profit per share for financial year 2008. The amount received may not exceed €20,000. The remuneration will fall due for payment at the end of the 2012 AGM.

The chairman of the Supervisory Board receives double the remuneration, and his deputy one and half times the remuneration. The chairman of a Supervisory Board committee also receives double the remuneration, whilst a member of a committee receives one and a half times the remuneration. This does not apply to members of the Mediation and Nomination Committee. Persons who only serve on the Supervisory Board and its committees for part of the year receive corresponding compensation on a pro rata basis. The members of the Supervisory Board are entitled to claim out-of-pocket expenses incurred in the exercise of their office. Any value added tax on the Supervisory Board remuneration and out-of-pocket expenses is reimbursed. In addition, each member of the Supervisory Board attending a meeting receives an attendance allowance of €500 for each plenary meeting of the Supervisory Board or committee meeting.

In 2009, the non-performance-related remuneration (fixed component and attendance allowance) totalled €747,500 in 2009 (previous year: €766,833) and performance-related remuneration €9,263 (previous year: €0). The following table presents the total remuneration paid to each Supervisory Board member:

B.13 Remuneration paid to individual Supervisory Board members

	Fixed component	Short-term performance-related component	Attendance allowance	Total	Remuneration in previous year (2008)[1]
Prof. Dr Wulf von Schimmelmann (Chairman since 1 Jan. 2009)	70,000	1,050	11,000	82,050	25,000
Andrea Kocsis (Deputy Chairwoman)	60,000	900	10,000	70,900	72,500
Wolfgang Abel	30,000	450	8,000	38,450	32,667
Willem van Agtmael	20,000	300	3,500	23,800	24,000
Rolf Bauermeister	30,000	450	9,000	39,450	31,667
Hero Brahms	40,000	600	9,500	50,100	50,500
Heinrich Josef Busch	20,000	300	3,500	23,800	15,833
Werner Gatzer	40,000	600	11,000	51,600	54,500
Annette Harms	20,000	300	4,000	24,300	25,000
Prof. Dr Henning Kagermann (since 18 Feb. 2009)	17,500	263	3,500	21,263	–
Thomas Koczelnik	40,000	600	9,000	49,600	33,667
Prof. Dr Ralf Krüger (until 21 April 2009)	11,667	175	3,000	14,842	50,000
Anke Kufalt	20,000	300	4,000	24,300	16,333
Roland Oetker	37,083	556	7,000	44,640	39,000
Harry Roels	20,000	300	4,000	24,300	24,500
Andreas Schädler	20,000	300	4,000	24,300	16,333
Dr Ulrich Schröder	20,000	300	3,000	23,300	8,667
Dr Stefan Schulte (since 21 April 2009)	21,250	319	4,000	25,569	–
Helga Thiel	30,000	450	8,000	38,450	26,500
Elmar Toime	20,000	300	3,500	23,800	24,500
Stefanie Weckesser	30,000	450	7,500	37,950	34,167

1) Pro-rata fixed component plus attendance allowance. No short-term variable remuneration was paid for financial year 2008.

CONSOLIDATED FINANCIAL STATEMENTS C

LIVING RESPONSIBILITY – **GoHelp**

We take advantage of our logistics expertise and global presence to work with the United Nations to provide logistics support in the aftermath of natural disasters. To save lives, relief aid must be distributed quickly and properly. Our global network of Disaster Response Teams (DRT) can be deployed within 72 hours to deliver help at airports free of charge. We also organise training programmes to help prepare authorities at airports in disaster-prone regions for the logistical challenges they will face when disaster strikes.

Our aim: With our global network of rapidly deployable teams, we want to provide help in the wake of a natural disaster.

Our approach: Three strategically located DHL Disaster Response Teams with approximately 200 volunteers are ready to respond at all times anywhere in the world. We also offer our Get Airports Ready for Disaster programme to prepare local authorities and airport staff for emergency situations.

@ More information is available at www.dp-dhl.com/en/responsibility.html

C.01 INCOME STATEMENT

1 January to 31 December

€m	Note	2008 adjusted[1]	2009
Continuing operations			
Revenue	11	54,474	46,201
Other operating income	12	2,736	2,141
Total operating income		**57,210**	**48,342**
Materials expense	13	–31,979	–25,774
Staff costs	14	–18,389	–17,021
Depreciation, amortisation and impairment losses	15	–2,662	–1,620
Other operating expenses	16	–5,146	–3,696
Total operating expenses		**–58,176**	**–48,111**
Profit/loss from operating activities (EBIT)		**–966**	**231**
Net income from associates	17	2	28
Other financial income		598	1,885
Other finance costs		–714	–1,857
Foreign currency result		14	–11
Net other finance costs/net other financial income	18	–102	17
Net finance costs/net financial income		**–100**	**45**
Profit/loss before income taxes		**–1,066**	**276**
Income taxes	19	–200	–15
Profit/loss from continuing operations	20	**–1,266**	**261**
Discontinued operations			
Profit/loss from discontinued operations	21	**–713**	**432**
Consolidated net profit/loss for the period	22	**–1,979**	**693**
attributable to			
Deutsche Post AG shareholders		–1,688	644
Minorities	23	–291	49
Basic earnings per share (€)	24	**–1.40**	**0.53**
of which from continuing operations (€)		–1.10	0.17
of which from discontinued operations (€)		–0.30	0.36
Diluted earnings per share (€)	24	**–1.40**	**0.53**
of which from continuing operations (€)		–1.10	0.17
of which from discontinued operations (€)		–0.30	0.36

1) Note 5.

C.02 STATEMENT OF COMPREHENSIVE INCOME

1 January to 31 December

€m	Note	2008	2009
Consolidated net profit/loss for the period		**–1,979**	**693**
Currency translation reserve			
Changes from unrealised gains and losses		–502	165
Changes from realised gains and losses		0	31
Other changes in retained earnings			
Changes from unrealised gains and losses		0	0
Changes from realised gains and losses		0	0
Hedging reserve in accordance with IAS 39			
Changes from unrealised gains and losses		–88	3
Changes from realised gains and losses		153	–49
Revaluation reserve in accordance with IAS 39			
Changes from unrealised gains and losses		–1,007	366
Changes from realised gains and losses		744	–256
Revaluation reserve in accordance with IFRS 3			
Changes from unrealised gains and losses		8	0
Changes from realised gains and losses		0	0
Income taxes relating to components of other comprehensive income	19	54	0
Share of other comprehensive income of associates (after taxes)		0	123
Other comprehensive income (after taxes)		**–638**	**383**
Total comprehensive income		**–2,617**	**1,076**
attributable to			
Deutsche Post AG shareholders		–2,147	1,070
Minorities		–470	6

C.03 BALANCE SHEET

€m	Note	1 Jan. 2008 adjusted[1]	31 Dec. 2008 adjusted[1]	31 Dec. 2009
ASSETS				
Intangible assets	26	14,226	11,627	11,534
Property, plant and equipment	27	8,754	6,676	6,220
Investment property	28	187	32	32
Investments in associates	29	203	61	1,772
Non-current financial assets	30	985	718	1,448
Other non-current assets	31	369	370	348
Deferred tax assets	32	1,040	1,033	668
Non-current assets		**25,764**	**20,517**	**22,022**
Inventories	33	248	269	226
Income tax assets	34	312	191	196
Receivables and other current assets	35	9,676	8,081	7,157
Receivables and other securities from financial services		193,920	0	0
Current financial assets	36	202	684	1,894
Cash and cash equivalents	37	4,683	1,350	3,064
Assets held for sale	38	615	231,872	179
Current assets		**209,656**	**242,447**	**12,716**
Total assets		**235,420**	**262,964**	**34,738**
EQUITY AND LIABILITIES				
Issued capital	39	1,207	1,209	1,209
Other reserves	40	875	439	869
Retained earnings	41	8,953	6,178	6,098
Equity attributable to Deutsche Post AG shareholders	42	**11,035**	**7,826**	**8,176**
Minority interest	43	2,778	2,026	97
Equity		**13,813**	**9,852**	**8,273**
Provisions for pensions and other employee benefits	44	5,989	4,685	4,574
Deferred tax liabilities	32	1,569	833	182
Other non-current provisions	45	3,015	2,511	2,275
Non-current provisions		**10,573**	**8,029**	**7,031**
Non-current financial liabilities	46	8,838	3,452	6,699
Other non-current liabilities	47	148	233	372
Non-current liabilities		**8,986**	**3,685**	**7,071**
Non-current provisions and liabilities		**19,559**	**11,714**	**14,102**
Current provisions	45	**1,703**	**2,807**	**2,646**
Current financial liabilities	46	1,686	1,422	740
Trade payables	48	5,453	5,016	4,861
Liabilities from financial services		187,787	0	0
Income tax liabilities	34	473	351	292
Other current liabilities	47	4,902	4,066	3,674
Liabilities associated with assets held for sale	38	44	227,736	150
Current liabilities		**200,345**	**238,591**	**9,717**
Current provisions and liabilities		**202,048**	**241,398**	**12,363**
Total equity and liabilities		**235,420**	**262,964**	**34,738**

1) Note 5.

C.04 CASH FLOW STATEMENT

1 January to 31 December

€m	Note	2008 adjusted[1]	2009
Profit/loss before income taxes		**–1,066**	276
Net other finance costs/net other financial income		102	–17
Net income from associates		–2	–28
Profit/loss from operating activities (EBIT)		**–966**	**231**
Depreciation/amortisation of non-current assets		2,662	1,620
Net income from disposal of non-current assets		–76	67
Non-cash income and expense		202	128
Change in provisions		1,237	–890
Change in other non-current assets and liabilities		–20	–54
Income taxes paid		–325	–339
Net cash from operating activities before changes in working capital		**2,714**	**763**
Changes in working capital			
Inventories		–58	47
Receivables and other current assets		472	778
Liabilities and other items		234	–344
Net cash from operating activities due to continuing operations		**3,362**	**1,244**
Net cash used in operating activities due to discontinued operations		–1,423	–1,828
Total net cash from/used in operating activities	49.1	**1,939**	**–584**
Proceeds from disposal of non-current assets			
Subsidiaries and other business units		0	–8
Property, plant and equipment and intangible assets		1,421	217
Other non-current financial assets		162	334
		1,583	**543**
Cash paid to acquire non-current assets			
Subsidiaries and other business units		–1,417	–53
Property, plant and equipment and intangible assets		–1,660	–1,174
Other non-current financial assets		–92	–229
		–3,169	**–1,456**
Interest received		570	103
Postbank dividend		103	0
Current financial assets		–1	–659
Net cash used in investing activities due to continuing operations		**–914**	**–1,469**
Net cash from/used in investing activities due to discontinued operations		473	–1,253
Total net cash used in investing activities	49.2	**–441**	**–2,722**
Proceeds from issuance of non-current financial liabilities		176	3,981
Repayments of non-current financial liabilities		–497	–587
Change in current financial liabilities		–337	–548
Other financing activities		–148	–115
Dividend paid to Deutsche Post AG shareholders		–1,087	–725
Dividend paid to other shareholders		–80	–34
Issuance of shares under stock option plan		21	0
Interest paid		–434	–291
Net cash used in/from financing activities due to continuing operations		**–2,386**	**1,681**
Net cash from financing activities due to discontinued operations		918	7
Total net cash used in/from financing activities	49.3	**–1,468**	**1,688**
Net change in cash and cash equivalents		30	–1,618
Effect of changes in exchange rates on cash and cash equivalents		–53	20
Changes in cash and cash equivalents associated with assets held for sale		2	0
Changes in cash and cash equivalents due to changes in consolidated group		0	0
Cash and cash equivalents at beginning of reporting period		4,683	4,662
Total cash and cash equivalents at end of reporting period	49.4	**4,662**	**3,064**
Less cash and cash equivalents of discontinued operations at end of reporting period		3,416	0
Plus cash and cash equivalents of continuing operations at discontinued operations at end of reporting period		104	0
Cash and cash equivalents of continuing operations at end of reporting period		**1,350**	**3,064**

1) Note 5.

C.05 STATEMENT OF CHANGES IN EQUITY

1 January to 31 December

€m	Issued capital	Other reserves: Capital reserve	Other reserves: IAS 39 reserves	Other reserves: IFRS 3 revaluation reserve	Other reserves: Currency translation reserve	Retained earnings	Equity attributable to Deutsche Post AG shareholders	Minority interest adjusted[1]	Total equity
Note	39	40	40	40	40	41	42	43	
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	0	0	0	0	0	–1,087	–1,087	–196	–1,283
Changes in minoritiy interest due to changes in consolidated group	0	0	0	0	0	0	0	–86	–86
Stock option plans (exercise)	2	19	0	0	0	0	21	0	21
Stock option plans (issuance)	0	4	0	0	0	0	4	0	4
							–1,062	**–282**	**–1,344**
Total comprehensive income									
Consolidated net profit	0	0	0	0	0	–1,688	–1,688	–291	–1,979
Currency translation differences	0	0	0	0	–500	0	–500	–2	–502
Other changes	0	0	33	8	0	0	41	–177	–136
							–2,147	**–470**	**–2,617**
Balance at 31 December 2008	**1,209**	**2,142**	**–314**	**8**	**–1,397**	**6,178**	**7,826**	**2,026**	**9,852**
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	0	0	0	0	0	–725	–725	–39	–764
Changes in minoritiy interest due to changes in consolidated group	0	0	0	0	0	0	0	–1,896	–1,896
Share Matching Scheme	0	5	0	0	0	0	5	0	5
							–720	**–1,935**	**–2,655**
Total comprehensive income									
Consolidated net profit	0	0	0	0	0	644	644	49	693
Currency translation differences	0	0	0	0	182	0	182	7	189
Other changes	0	0	244	–1	0	1	244	–50	194
							1,070	**6**	**1,076**
Balance at 31 December 2009	**1,209**	**2,147**	**–70**	**7**	**–1,215**	**6,098**	**8,176**	**97**	**8,273**

1) Reclassification within minority interest in 2008.

C.06 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	
1 Jan. to 31 Dec.	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
External revenue	14,186	13,502	13,184	10,008	13,453	10,257	13,552	12,362	99	72	0	0	54,474	46,201	11,226	1,634
Internal revenue	207	182	453	304	726	613	166	145	1,683	1,455	–3,235	–2,699	0	0	0	0
Total revenue	14,393	13,684	13,637	10,312	14,179	10,870	13,718	12,507	1,782	1,527	–3,235	–2,699	54,474	46,201	11,226	1,634
Profit/loss from operating activities (EBIT)	2,179	1,383	–2,194	–807	362	191	–920	–208	–393	–328	0	0	–966	231	–871	–24
Net income from associates	0	2	2	–1	0	8	0	0	0	19	0	0	2	28	0	0
Segment assets[2]	3,683	3,551	8,870	8,428	6,887	6,541	6,287	5,815	1,377	1,271	–401	–261	26,703	25,345	227,364	0
Investments in associates[2]	22	24	32	31	6	12	0	0	1	1,705	0	0	61	1,772	0	0
Segment liabilities[2, 3]	2,384	2,287	3,150	2,880	2,275	2,198	2,903	2,784	1,244	1,123	–421	–319	11,535	10,953	218,730	0
Capex	282	329	727	380	94	82	390	204	234	176	0	0	1,727	1,171	71	7
Depreciation, amortisation and write-downs	346	321	542	489	105	108	1,343	403	326	299	0	0	2,662	1,620	179	0
Other non-cash expenses	433	431	1,950	1,113	91	118	215	344	114	126	0	0	2,803	2,132	539	114
Employees[4]	146,184	146,021	112,420	99,494	41,602	40,254	141,060	136,135	15,450	14,747	0	0	456,716	436,651	22,175	0

Information about geographical areas

€m	Germany[1]		Europe excluding Germany[1]		Americas[1]		Asia Pacific[1]		Other regions[1]		Continuing operations[1]		Discontinued operations	
1 Jan. to 31 Dec.	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
External revenue	16,882	15,847	19,856	16,689	9,630	6,340	6,303	5,661	1,803	1,664	54,474	46,201	11,226	1,634
Non-current assets[2]	3,997	3,837	7,598	7,376	3,256	3,105	2,968	2,932	584	595	18,403	17,845	2,373	0
Capex	716	635	520	300	275	123	148	78	68	35	1,727	1,171	71	7

1) Notes 5 and 10.
2) As at 31 December.
3) Including non-interest-bearing provisions.
4) Average FTE.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF DEUTSCHE POST AG

BASIS OF PREPARATION

1 Basis of accounting

As a listed company, Deutsche Post AG prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the provisions of commercial law to be additionally applied in accordance with Section 315a (1) of the *Handelsgesetzbuch* (HGB – German commercial code). The financial statements represent an annual financial report within the meaning of the *Transparenzrichtlinie-Umsetzungsgesetz* (TUG – Transparency directive implementing act) (Section 37v of the *Wertpapierhandelsgesetz* (WpHG – German securities trading act)) dated 5 January 2007.

The requirements of the Standards applied have been satisfied in full, and the consolidated financial statements therefore provide a true and fair view of the Group's net assets, financial position and results of operations.

The consolidated financial statements consist of the income statement and the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity and the Notes. In order to improve the clarity of presentation, various items in the balance sheet and in the income statement have been combined. These items are disclosed and explained separately in the Notes. The income statement has been classified in accordance with the nature of expense method.

The accounting policies, as well as the explanations and disclosures in the Notes to the IFRS consolidated financial statements for financial year 2009, are generally based on the same accounting policies used in the 2008 consolidated financial statements. Exceptions to this are the changes in international financial reporting under the IFRS described in Note 4 that have been required to be applied by the Group since 1 January 2009 and the adjustment of prior-period amounts cited in Note 5. The accounting policies are explained in Note 7.

The financial year of Deutsche Post AG and its consolidated subsidiaries is the calendar year. Deutsche Post AG, whose registered office is in Bonn, Germany, is entered in the commercial register of Bonn Local Court.

These consolidated financial statements were authorised for issue by a resolution of the Board of Management of Deutsche Post AG dated 19 February 2010.

The consolidated financial statements are prepared in euros (€). Unless otherwise stated, all amounts are given in millions of euros (€ million, €m).

2 Consolidated group

In addition to Deutsche Post AG, the consolidated financial statements for the period ended 31 December 2009 include all German and foreign companies in which Deutsche Post AG directly or indirectly holds a majority of voting rights, or whose activities it can control in some other way. The companies are consolidated from the date on which the Group is able to exercise control.

The companies listed in the table below are consolidated in addition to the parent company Deutsche Post AG.

Consolidated Group

	2008	2009
Number of fully consolidated companies (subsidiaries)		
German	106	79
Foreign	854	791
Number of proportionately consolidated joint ventures		
German	1	1
Foreign	18	18
Number of companies accounted for using the equity method (associates)		
German	3	29
Foreign	12	23

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

The complete list of the Group's shareholdings in accordance with Section 313 (2) Nos. 1 to 4 and (3) of the HGB is to be found in Note 61.

Purchase price allocation

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. Prior to that date, Polar Air Cargo was included in the consolidated financial statements as an associate. 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 was performed as at 30 September 2009 and did not result in any adjustments compared with the preliminary purchase price allocation that was previously published.

Net assets

€m	Fair value
ASSETS	
Non-current assets	1
Current assets	96
Cash and cash equivalents	41
	138
EQUITY AND LIABILITIES	
Non-current liabilities	1
Current liabilities	103
	104
Net assets acquired	**34**

Insignificant acquisitions

In financial year 2009, Deutsche Post DHL made acquisitions of subsidiaries 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 2009

€m	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets	5	4	9
Current assets	9	0	9
Cash and cash equivalents	5	0	5
	19	**4**	**23**
EQUITY AND LIABILITIES			
Non-current liabilities and provisions	0	0	0
Current liabilities and provisions	15	0	15
	15	**0**	**15**
Net assets	–	–	**8**

Goodwill 2009

€m	Fair value
Acquisition cost	54
Less net assets	8
Full goodwill	46
of which minority interest	–19
Goodwill	**27**

The insignificant acquisitions in financial year 2009 contributed a total of €26 million to consolidated revenue and €–11 million to consolidated EBIT. If all the companies had been fully consolidated as at 1 January 2009, the amounts would have changed only insignificantly.

Insignificant acquisitions 2008

€m	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets	54	24	78
Current assets	118	0	118
Cash and cash equivalents	36	0	36
	208	**24**	**232**
EQUITY AND LIABILITIES			
Non-current liabilities and provisions	6	0	6
Current liabilities and provisions	125	0	125
Deferred taxes	10	7	17
	141	**7**	**148**
Net assets (100%)			**84**
of which due to minorities	–	–	–29
Net assets	–	–	**55**

Goodwill 2008

€m	Fair value
Acquisition cost	144
Less net assets	55
Goodwill	**89**

The insignificant acquisitions in financial year 2008 contributed a total of €208 million to consolidated revenue. The companies had significant service relationships with the Group. If all the companies had been fully consolidated as at 1 January 2008, the amounts would have changed only insignificantly.

A total of €58 million was spent in financial year 2009 on acquiring subsidiaries (previous year: €458 million). The purchase prices of the acquired companies were paid by transferring cash and cash equivalents. Further information about cash flows can be found in Note 49.

Disposal and deconsolidation effects

The following table shows the disposal and deconsolidation effects of fully consolidated companies. The following companies were sold or deconsolidated in the period under review: Deutsche Postbank Group, Germany; DHL Global Mail Services SAS, France; DHL Container Logistics UK Ltd., UK; 4C Associates Ltd., UK.

Disposal and deconsolidation effects of fully consolidated companies

€m	2008	2009	
	Other companies	Deutsche Postbank Group	Other companies
Disposal effects			
Intangible assets	0	–	4
Property, plant and equipment	1	–	12
Non-current financial assets	0	–	10
Receivables and other assets	11	–	48
Assets held for sale[1]	0	243,684	0
Cash and cash equivalents	2	–	7
Provisions	–3	–	–4
Trade payables and other liabilities	–8	–	–43
Financial liabilities	0	–	–9
Liabilities associated with assets held for sale[1]	0	–238,734	0
Total consideration received	0	1,194	3
Deconsolidation gains/losses (–)	–1	444	–22

1) Data before deconsolidation.

Sale of Deutsche Postbank shares: The transaction agreed for the sale of 50 million Postbank shares (first tranche) to Deutsche Bank AG closed on 25 February 2009. 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. The Deutsche Bank AG share package was sold on the market in the period up to the beginning of July. Twenty-five million shares were fully collateralised using a forward and call/put transaction. The additional proceeds generated from this transaction are due to Deutsche Bank AG and have been deposited with Deutsche Bank AG as collateral. Settlement for the derivatives and thus the release of the collateral will take place upon exercise of the mandatory exchangeable bond in 2012, see Note 3. The sale of the interest in Deutsche Postbank AG affected earnings in 2009 by €571 million. This amount is contained in the profit from discontinued operations and in net finance costs/net financial income. Of this amount, €444 million is due to the deconsolidation gain. The remaining 39.5% interest in Deutsche Postbank AG is reported as an equity-accounted investment under investments in associates. For information on the other tranches, please refer to Note 3.

Joint ventures

The following table provides information about the balance sheet and income statement items attributable to the significant joint ventures included in the consolidated financial statements:

As at 31 December

€m	2008[1]	2009[1]
BALANCE SHEET		
Intangible assets	65	82
Property, plant and equipment	13	24
Receivables and other assets	37	50
Cash and cash equivalents	8	11
Trade payables, other liabilities	–37	–50
Provisions	–2	–4
Financial liabilities	–42	–62
INCOME STATEMENT		
Revenue[2]	208	211
Profit from operating activities (EBIT)	8	8

1) Proportionate single-entity financial statement data.
2) Revenue excluding intragroup revenue.

The consolidated joint ventures relate primarily to Express Couriers Ltd., New Zealand; Express Couriers Australia Pty Ltd., Australia; AeroLogic GmbH, Germany; and Bahwan Exel LLC, Oman.

3 Significant transactions

In addition to the changes in the consolidated group cited in Note 2, the following significant transactions affected the Group's net assets, financial position and results of operations in financial year 2009:

As part of the sale of Deutsche Postbank shares, see Note 2, an additional interest of 27.4% will be transferred to Deutsche Bank AG after three years when a mandatory exchangeable bond on Postbank shares becomes due (second tranche). The mandatory exchangeable bond was issued by Deutsche Post AG in February 2009 with a maturity of 36 months and fully subscribed by Deutsche Bank AG. The bond will be exercised through transfer of 60 million Deutsche Postbank AG shares. The mandatory exchangeable bond consists of an advance payment and a forward transaction and must therefore be recognised as a prepaid forward transaction. As at 31 December 2009, a non-current liability of around €2.6 billion plus accrued interest expense of €103 million were recognised in the balance sheet. The embedded forward transaction is definitely excluded from the scope of IAS 39 and must be recognised as an uncompleted transaction as at the reporting date. Recognition of the forward transaction changes as of 1 January 2010; see Note 50.

In a third tranche, Deutsche Post AG and Deutsche Bank AG have agreed on options for the sale/purchase of a further 12.1% of the Postbank shares. These derivatives cannot be exercised until February 2012 at the earliest. The options are reported under non-current financial assets (€669 million) and non-current financial liabilities (€22 million). Net finance costs/net financial income contains gains of €647 million from changes in the fair value of the options. The carrying amount of the options fell by €297 million due to the increase in the price of Postbank shares between initial recognition of the options and the reporting date. Deutsche Bank AG provided collateral in the amount of around €1.2 billion for the purchase price of the remaining 12.1% of Postbank shares, which is recognised in non-current financial liabilities in addition to the interest expense. Deutsche Post AG has received a total of around €5 billion from the sale of its interest in Postbank.

The insolvency proceedings for Karstadt Warenhaus GmbH and Quelle GmbH opened on 1 September 2009. Quelle GmbH has now been liquidated on the basis of a resolution by the Creditors' Meeting on 11 November 2009. 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 co-operation. Despite the insolvency proceedings, Deutsche Post DHL had continued to provide all services for Karstadt and Quelle. However, an amended customer master agreement will reduce revenue and earnings projections for 2010 and beyond. The insolvency impacted earnings by €–247 million in the financial year.

Deutsche Post DHL withdrew from the domestic US express business with effect from the beginning of February 2009. The full range of international products remains on offer. In financial year 2009, expenses were incurred for restructuring measures amounting to €495 million (previous year: €2,117 million).

4 New developments in international accounting under the IFRS

The following Standards, changes to Standards and Interpretations are required to be applied on or after 1 January 2009:

	Significance
IFRS 8 (Operating Segments)	relevant
IAS 23 (Borrowing Costs)	insignificant
IFRS 2 (Share-based Payment)	insignificant
IFRIC 11 (IFRS 2 Group and Treasury Share Transactions)	insignificant
IFRIC 13 (Customer Loyalty Programmes)	insignificant
IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)	insignificant
IAS 1 (Presentation of Financial Statements)	relevant
IAS 32 (Financial Instruments)	insignificant
IFRS 1 (First-Time Adoption of International Financial Reporting Standards) and IAS 27 (Consolidated and Separate Financial Statements)	irrelevant
Improvements to IFRS (2008)	insignificant
IFRS 7 (Improved Disclosures Regarding Financial Instruments)	relevant
IFRIC 9 (Reassessment of Embedded Derivatives) and IAS 39 (Financial Instruments: Recognition and Measurement)	irrelevant

IFRS 8 (Operating Segments), which supersedes the previous IAS 14 (Segment Reporting), contains new provisions relating to the presentation of segment reporting. IFRS 8 requires segment reporting to be based on the management approach. Under this approach, the definition of the segments and the disclosures for each segment are based on the information used internally by management for the purposes of allocating resources to the components of the entity and assessing their performance. For information on the effects of the application of IFRS 8, please refer to Note 10.

IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) supplements the existing provisions of IAS 19 relating to the limit on the measurement of a defined benefit asset known as the asset ceiling (IAS 19.58 ff.). In addition, the Interpretation sets out how the requirement to limit a defined benefit asset should be applied in the event of statutory or contractual minimum funding requirements. Deutsche Post's accounting practice to date already complied with the provisions of this Interpretation, meaning there were no material effects on the consolidated financial statements.

The revision of IAS 1 (Presentation of Financial Statements) is intended to improve users' ability to analyse and compare the information given in financial statements. The changes relate mainly to revised designations for the income statement, balance sheet and cash flow statement, the introduction of a statement of certain changes in equity (statement of comprehensive income) and the obligation to publish an opening balance sheet for the earliest period presented that is affected by a retrospective change of accounting policy or restatement. These changes have been applied.

On 5 March 2009, the IASB published amendments to IFRS 7 (Improved Disclosures Regarding Financial Instruments). These amendments provide for more extensive disclosures about the measurement of financial instruments at fair value and about liquidity risk. The amendments are required to be applied for financial years that begin on or after 1 January 2009. However, no comparative prior-year information is required with respect to the additional disclosure requirements on first-time application.

New accounting pronouncements adopted by the EU required to be applied in future

The following Standards, changes to Standards and Interpretations have already been endorsed by the European Union. However, they will only be required to be applied in the future.

	Applicable for financial years beginning on or after	Significance
IFRIC 12 (Service Concession Arrangements)	30 March 2009	irrelevant
IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)	30 June 2009	applied prior to the effective date
IFRIC 17 (Distributions of Non-cash Assets to Owners)	31 October 2009	irrelevant
IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements)	1 July 2009	relevant
IFRIC 15 (Agreements for the Construction of Real Estate)	1 January 2010	irrelevant
IAS 39 (Financial Instruments: Recognition and Measurement)	1 July 2009	under review
IFRS 1 (First-Time Adoption of International Financial Reporting Standards)	31 December 2009	irrelevant
IFRIC 18 (Transfers of Assets from Customers)	1 July 2009	irrelevant
IAS 32 (Financial Instruments: Presentation)	1 February 2010	under review

IFRIC 16 (Hedges of a Net Investment in a Foreign Operation) clarifies that the foreign currency risk arising between the functional currency of the foreign operation and the functional currency of a parent entity may be designated as a hedged risk. The hedging instruments may be held by any entity within the Group. Foreign currency differences arising from the measurement of the hedging instrument must be recognised in other comprehensive income in accordance with IAS 39. The date at which gains and losses are reclassified from other comprehensive income to profit or loss is governed by IAS 21. The Interpretation must be applied prospectively. IFRIC 16 will have no effect on the consolidated financial statements since hedges of a net investment in a foreign operation already comply with the provisions of the Interpretation.

The revised versions of IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements) contain the following changes: an option is introduced in the case of accounting for acquisitions of less than 100% of the shares of an entity. This allows minority interests to be measured either at their fair value (full goodwill method) or at the fair value of the proportionate net assets identified. In addition, acquisitions and partial disposals of shares where control is retained are accounted for as equity transactions with owners, and gains or losses are not recognised. The full amount of the transaction costs associated with the acquisition is recorded as an expense. Application of the amendments is mandatory for business combinations in financial years beginning on or after 1 July 2009. As from financial year 2010, business combinations will be treated in accordance with the two amended Standards, which will have a corresponding effect on the consolidated financial statements.

In July 2008, amendments to IAS 39 (Financial Instruments: Recognition and Measurement) were published relating to eligible hedged items in the context of hedge accounting. The purpose of the amendments was to provide guidance for use in designating hedging instruments, since inconsistencies occur in practice in particular with respect to accounting for one-sided risks and for inflation as a component of a hedged item. Retrospective application of the amendments is mandatory for financial years beginning on or after 1 July 2009. The effects on the consolidated financial statements are currently being assessed.

On 8 October 2009, the IASB issued an amendment to IAS 32 (Financial Instruments: Presentation) on the classification of rights issues. This supplements IAS 32 to the effect that rights, options and warrants on a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if they are offered pro rata to all existing owners of the same class of equity instruments. The amendment is required to be applied for financial years beginning on or after 1 February 2010. Earlier application is permitted. The effects on the consolidated financial statements are currently being assessed.

New accounting requirements not yet adopted by the EU (endorsement procedure)

The IASB and the IFRIC issued further Standards and Interpretations in 2009 whose application is not yet mandatory for financial year 2009. The application of these IFRS is dependent on their adoption by the EU.

	Issue date	Applicable for financial years beginning on or after	Significance
Improvements to IFRS (2009)	April 2009	1 January 2010	relevant
IFRS 2 (Share-based Payment)	June 2009	1 January 2010	under review
IAS 24 (Related Party Disclosures)	November 2009	1 January 2011	relevant
IFRS 9 (Financial Instruments)	November 2009	1 January 2013	under review
IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments)	November 2009	1 July 2010	under review
IFRS for Small and Medium-sized Enterprises (IFRS for SME)	July 2009	1 January 2010	irrelevant
IFRS 1 (First-Time Adoption of International Financial Reporting Standards) (Amendment)	July 2009	1 January 2010	irrelevant

On 16 April 2009, the IASB issued further additional minor Improvements to IFRS. This Standard contains a number of different amendments affecting 12 existing IFRS. The majority of changes apply for financial years beginning on or after 1 January 2010. However, some amendments must be applied for financial years beginning on or after 1 July 2009. With the entry into force as at 1 January 2010 of the revised IAS 39, the forward transaction for 27.4% of Postbank's shares, which was previously not recognised in the exchangeable bond (see Note 3) due to IAS 39.2 (g), will be recognised in income at its fair value of €1,453 million. The volatilities already seen in recent months in Deutsche Post DHL's net finance costs/net financial income could increase as a result of the amendments to IAS 39. The effects of the other amendments are currently being assessed.

On 18 June 2009, the IASB issued amendments to IFRS 2 (Share-based Payment), which clarify the accounting treatment of Group cash-settled share-based transactions. The amendments set out basic principles that have amended the scope of, and a number of the definitions contained in, IFRS 2. The amendments shall be applied retrospectively for annual periods beginning on or after 1 January 2010. The effects on the consolidated financial statements are currently being assessed.

On 4 November 2009, the IASB issued the revised Standard IAS 24 (Related Party Disclosures). The amendments primarily comprise a modified definition of the term "related party" and the introduction of a partial exemption from the disclosure requirements for government-related entities. In addition, the amendments make clear that executory contracts are also reportable transactions. The revised version of IAS 24 is required to be applied for financial years beginning on or after 1 January 2011. Earlier application is permitted, either of the whole Standard or of the partial exemption for government-related entities. The amendment will result in additional disclosure requirements.

On 12 November 2009, the IASB issued IFRS 9 (Financial Instruments), the objective of which is to lay down principles for the classification and measurement of financial instruments. Publication of the Standard represents the conclusion of the first part of a three-phase project to replace IAS 39 (Financial Instruments: Recognition and Measurement) with a new Standard. IFRS 9 introduces new guidance for the classification and measurement of financial assets. This guidance must be applied for the first time for financial years beginning on or after 1 January 2013. Earlier application is permitted. The IASB aims to extend IFRS 9 in 2010 to include new guidance governing the classification and measurement of financial liabilities, the derecognition of financial instruments, impairment methodology and hedge accounting. IFRS 9 should replace IAS 39 in its entirety by the end of 2010. Developments at the European Commission must be awaited; the corresponding effects on the Group are being assessed.

IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments) was issued on 26 November 2009. This Interpretation addresses the accounting by an entity when the terms of a liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. The guidance is to be applied for financial years beginning on or after 1 July 2010. The effects on the consolidated financial statements are currently being assessed.

5 Adjustment of prior-period amounts

Balance sheet

The revised chart of accounts has improved balance sheet transparency with respect to financial assets and liabilities. The prior-period amounts were adjusted accordingly. Further information can be found in the relevant Notes.

Adjustment of prior-period amounts: balance sheet 31 December 2008

€m	31 Dec. 2008	Adjustments	31 Dec. 2008 adjusted	Note
Non-current financial assets	574	144	718	30
Other non-current assets	514	–144	370	31
Receivables and other current assets	8,715	–634	8,081	35
Current financial assets	50	634	684	36
Non-current financial liabilities	3,318	134	3,452	46
Other non-current liabilities	367	–134	233	47
Current financial liabilities	779	643	1,422	46
Other current liabilities	4,745	–679	4,066	47
Trade payables	4,980	36	5,016	48

Adjustment of prior-period amounts: balance sheet 1 January 2008

€m	1 Jan. 2008	Adjustments	1 Jan. 2008 adjusted	Note
Non-current financial assets	857	128	985	30
Other non-current assets	497	–128	369	31
Receivables and other current assets	9,806	–130	9,676	35
Current financial assets	72	130	202	36
Non-current financial liabilities	8,625	213	8,838	46
Other non-current liabilities	361	–213	148	47
Current financial liabilities	1,556	130	1,686	46
Other current liabilities	5,101	–199	4,902	47
Trade payables	5,384	69	5,453	48

Income statement

Since financial year 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. This revised presentation brings it into line with the generally accepted procedure and thus increases the comparability of the financial statements. The prior-period amounts were adjusted accordingly.

In addition, with effect from January 2009, the effects of currency translation differences and related hedging effects have been reported separately in net finance costs/net financial income, thus increasing transparency. The prior-period amounts were adjusted accordingly.

Adjustment of prior-period amounts: income statement

€m	2008	Reclassification of return on plan assets	Reclassification of currency translation effects	2008 adjusted
Staff costs	–17,990	–399	–	–18,389
Net other finance costs/net other financial income	–501	399	–	–102
Other financial income	621	–	–23	598
Other finance costs	–1,122	399	9	–714
Foreign currency result	–	–	14	14

6 Currency translation

The financial statements of consolidated companies prepared in foreign currencies are translated into euros (€) in accordance with IAS 21 using the functional currency method. The functional currency of foreign companies is determined by the primary economic environment in which they mainly generate and use cash. Within the Group, the functional currency is predominantly the local currency. In the consolidated financial statements, assets and liabilities are therefore translated at the closing rates, whilst income and expenses are generally translated at the monthly closing rates. The resulting currency translation differences are recognised in other comprehensive income. In financial year 2009, currency translation differences amounting to €182 million (previous year: €–500 million) were recognised in other comprehensive income (see the statement of comprehensive income and statement of changes in equity).

Goodwill arising from business combinations after 1 January 2005 is treated as an asset of the acquired company and therefore carried in the functional currency of the acquired company.

The exchange rates for the currencies that are significant for the Group were as follows:

		Closing rates		Average rates	
Currency	Country	2008 EUR 1 =	2009 EUR 1 =	2008 EUR 1 =	2009 EUR 1 =
USD	USA	1.40920	1.440	1.47418	1.39638
CHF	Switzerland	1.48967	1.48486	1.57921	1.50818
GBP	United Kingdom	0.97230	0.89330	0.80463	0.89054
SEK	Sweden	10.92292	10.26871	9.68703	10.59062

The carrying amounts of non-monetary assets recognised at consolidated companies operating in hyperinflationary economies are generally indexed in accordance with IAS 29 and thus reflect the current purchasing power at the balance sheet date.

In accordance with IAS 21, receivables and liabilities in the financial statements of consolidated companies that have been prepared in local currencies are translated at the closing rate as at the balance sheet date. Currency translation differences are recognised in other operating income and expenses in the income statement. In financial year 2009, income of €161 million (previous year: €269 million) and expenses of €163 million (previous year: €269 million) resulted from currency translation differences. In contrast, currency translation differences relating to net investments in a foreign operation are recognised in other comprehensive income.

7 Accounting policies

The consolidated financial statements are prepared on the basis of historical cost, with the exception of specific financial instruments to be recognised at their fair value.

Revenue and expense recognition

Deutsche Post DHL's normal business operations consist of the provision of logistics services. All income relating to normal business operations is recognised as revenue in the income statement. All other income is reported as other operating income. Revenue and other operating income is generally recognised when services are rendered, the amount of revenue and income can be reliably measured and in all probability the economic benefits from the transactions will flow to the Group. Operating expenses are recognised in income when the service is utilised or when the expenses are incurred.

Intangible assets

Intangible assets are measured at amortised cost. Intangible assets comprise internally generated and purchased intangible assets and purchased goodwill.

Internally generated intangible assets are capitalised at cost if it is probable that their production will generate an inflow of future economic benefits and the costs can be reliably measured. In the Group, this concerns internally developed software. If the criteria for capitalisation are not met, the expenses are recognised immediately in income in the year in which they are incurred. In addition to direct costs, the production cost of internally developed software includes an appropriate share of allocable production overhead costs. Any borrowing costs incurred for qualifying assets are included in the production cost. Value added tax arising in conjunction with the acquisition or production of intangible assets is included in the cost if it cannot be deducted as input tax. Capitalised software is amortised using the straight-line method over useful lives of between two to five years.

Intangible assets are amortised using the straight-line method over their useful lives. Licences are amortised over the term of the licence agreement. Capitalised customer relationships are amortised using the straight-line method over a period of 5 to 18 years. Impairment losses are recognised in accordance with the principles described in the section headed "Impairment".

Intangible assets with indefinite useful lives (e.g. brand names) are not amortised but are tested for impairment annually or whenever there are indications of impairment. Impairment testing is carried out in accordance with the principles described in the section headed "Impairment".

Property, plant and equipment

Property, plant and equipment is carried at cost, reduced by accumulated depreciation and valuation allowances. In addition to direct costs, production cost includes an appropriate share of allocable production overheads. Borrowing costs that can be allocated directly to the purchase, construction, or manufacture of property, plant and equipment are capitalised. Value added tax arising in conjunction with the acquisition or production of items of property, plant or equipment is included in the cost if it cannot be deducted as input tax. Depreciation is generally charged using the straight-line method. The Group uses the estimated useful lives indicated below for depreciation. If there are indications of impairment, the principles described in the section headed "Impairment" are applied.

Useful lives

years

	2008	2009
Buildings	5 to 50	5 to 50
Technical equipment and machinery	3 to 10	3 to 10
Passenger vehicles	4 to 6	4 to 6
Trucks	5 to 8	5 to 8
Aircraft	15 to 20	15 to 20
Other vehicles	3 to 8	3 to 8
IT systems	3 to 8	3 to 8
Other operating and office equipment	3 to 10	3 to 10

Impairment

At each balance sheet date, the carrying amounts of intangible assets, property, plant and equipment, and investment property are reviewed for indications of impairment. If there are any such indications, an impairment test must be carried out. This is done by determining the recoverable amount of the relevant asset and comparing it with the carrying amount.

In accordance with IAS 36, the recoverable amount is the asset's fair value less costs to sell or its value in use, whichever is higher. The value in use is the present value of the pre-tax cash flows expected to be derived from the asset in future. The discount rate used is a pre-tax rate of interest reflecting current market conditions. If the recoverable amount cannot be determined for an individual asset, the recoverable amount is determined for the smallest identifiable group of assets to which the asset in question can be allocated and which generates independent cash flows (cash generating unit – CGU). If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognised immediately in respect of the asset. If, after an impairment loss has been recognised, a higher recoverable amount is determined for the asset or the CGU at a later date, the impairment loss is reversed up to a carrying amount that does not exceed the recoverable amount. The increased carrying amount attributable to the reversal of the impairment loss is limited to the carrying amount that would have been determined (net of amortisation or depreciation) if no impairment loss had been recognised in the past. The reversal of the impairment loss is recognised in the income statement. Impairment losses recognised in respect of goodwill may not be reversed.

Since January 2005, goodwill has been accounted for using the impairment-only approach in accordance with IFRS 3. This stipulates that goodwill must be subsequently measured at cost, less any cumulative adjustments from impairment losses. Purchased goodwill is therefore no longer amortised and instead is tested for impairment annually in accordance with IAS 36, regardless of whether any indication of possible impairment exists, as in the case of intangible assets with an indefinite useful life. In addition, the obligation remains to conduct an impairment test if there is any indication of impairment. Goodwill resulting from company acquisitions is allocated to the identifiable groups of assets (CGU or groups of CGU) that are expected to benefit from the synergies of the acquisition. These groups represent the lowest reporting level at which the goodwill is monitored for internal management purposes. The carrying amount of a CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the unit may be impaired. Where impairment losses are recognised in connection with a CGU to which goodwill has been allocated, the existing carrying amount of the goodwill is reduced first. If the amount of the impairment loss exceeds the carrying amount of the goodwill, the difference is allocated to the remaining non-current assets in the CGU.

Finance leases

A lease financing transaction is an agreement in which the lessor conveys to the lessee the right to use an asset for a specified period in return for a payment or a number of payments. In accordance with IAS 17, beneficial ownership of leased assets is attributed to the lessee if the lessee bears substantially all risks and rewards incident to ownership of the leased asset. To the extent that beneficial ownership is attributable to the Group, the asset is capitalised at the date on which use starts, either at fair value or at the present value of the minimum lease payments if this is less than the fair value. A lease liability in the same amount is recognised under non-current liabilities. The lease is measured subsequently at amortised cost using the effective interest method. The depreciation methods and estimated useful lives correspond to those of comparable purchased assets.

Operating leases

For operating leases, the Group reports the leased asset at amortised cost as an asset under property, plant and equipment where it is the lessor. The lease payments recognised in the period are shown under other operating income. Where the Group is the lessee, the lease payments made are recognised as lease expense under materials expense. Lease expenses and income are recognised using the straight-line method.

Investments in associates

Investments in associates are accounted for using the equity method in accordance with IAS 28 (Accounting for Investments in Associates). Based on the cost of acquisition at the time of purchase of the investments, the carrying amount of the investment is increased or reduced annually to reflect the share of earnings, dividends distributed and other changes in the equity of the associates attributable to the investments of Deutsche Post AG or its consolidated subsidiaries. The goodwill contained in the carrying amounts of the investments is accounted for in accordance with IFRS 3. Investments in companies accounted for using the equity method are impaired if the recoverable amount falls below the carrying amount.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include in particular cash and cash equivalents, trade receivables, originated loans and receivables, and derivative financial assets held for trading. Financial liabilities include contractual obligations to deliver cash or another financial asset to another entity. These mainly comprise trade payables, liabilities to banks, liabilities arising from bonds and finance leases, and derivative financial liabilities.

Fair value option

The Group applied the fair value option for the first time for financial year 2006. Under this option, financial assets or financial liabilities may be measured at fair value through profit or loss on initial recognition if this eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch). The Group makes use of the option in order to avoid accounting mismatches.

Financial assets

Financial assets are accounted for in accordance with the provisions of IAS 39, which distinguishes between four categories of financial instruments.

Available-for-sale financial assets

These financial instruments are non-derivative financial assets and are carried at their fair value, where this can be measured reliably. If a fair value cannot be determined, they are carried at cost. Changes in fair value between reporting dates are generally recognised in other comprehensive income (revaluation reserve). The reserve is reversed to income either upon disposal or if the fair value falls below cost more than temporarily. If, at a subsequent balance sheet date, the fair value of a debt instrument has increased objectively as a result of events occurring after the impairment loss was recognised, the impairment loss is reversed in the appropriate amount. Impairment losses recognised in respect of equity instruments may not be reversed to income. If equity instruments are recognised at fair value, any reversals must be recognised in other comprehensive income. No reversals may be made in the case of equity instruments that were recognised at cost. Available-for-sale financial instruments are allocated to non-current assets unless the intention is to dispose of them within 12 months of the balance sheet date. In particular, investments in unconsolidated subsidiaries, marketable securities and other equity investments are reported in this category.

Held-to-maturity financial assets

Financial instruments are assigned to this category if there is an intention to hold the instrument to maturity and the economic conditions for doing so are met. These financial instruments are non-derivative financial assets that are measured at amortised cost using the effective interest method.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Unless held for trading, they are recognised at cost or amortised cost at the balance sheet date. The carrying amounts of money market receivables correspond approximately to their fair values due to their short maturity. Loans and receivables are considered current assets if they mature not more than 12 months after the balance sheet date; otherwise, they are recognised as non-current assets. If the recoverability of receivables is in doubt, they are recognised at amortised cost, less appropriate specific or collective valuation allowances. A write-down on trade receivables is recognised if there are objective indications that the amount of the outstanding receivable cannot be collected in full. The write-down is recognised in the income statement via a valuation account.

Financial assets at fair value through profit or loss

All financial instruments held for trading and derivatives that do not satisfy the criteria for hedge accounting are assigned to this category. They are generally measured at fair value. All changes in fair value are recognised in income. All financial instruments in this category are accounted for at the trade date. Assets in this category are recognised as current assets if they are either held for trading or will likely be realised within 12 months of the balance sheet date.

To avoid variations in net profit resulting from changes in the fair value of derivative financial instruments, hedge accounting is applied where possible and economically useful. Gains and losses from the derivative and the related hedged item are recognised in income simultaneously. Depending on the hedged item and the risk to be hedged, the Group uses fair value hedges and cash flow hedges.

The carrying amounts of financial assets not carried at fair value through profit or loss are tested for impairment at each balance sheet date and whenever there are indications of impairment. The amount of any impairment loss is determined by comparing the carrying amount and the fair value. If there are objective indications of impairment, an impairment loss is recognised in the income statement under other operating expenses or net finance costs/net financial income. Impairment losses are reversed if there are objective reasons arising after the balance sheet date indicating that the reasons for impairment no longer exist. The increased carrying amount resulting from the reversal of the impairment loss may not exceed the carrying amount that would have been determined (net of amortisation or depreciation) if the impairment loss had not been recognised.

Impairment losses are recognised within the Group if the debtor is experiencing significant financial difficulties, it is highly probable that the debtor will be the subject of bankruptcy proceedings, there are material changes in the issuer's technological, economic, legal, or market environment, or the fair value of a financial instrument falls below its amortised cost for a prolonged period.

A fair value hedge hedges the fair value of recognised assets and liabilities. Changes in the fair value of both the derivatives and the hedged item are recognised in income simultaneously.

A cash flow hedge hedges the fluctuations in future cash flows from recognised assets and liabilities (in the case of interest rate risks), highly probable forecast transactions as well as unrecognised firm commitments that entail a currency risk. The effective portion of a cash flow hedge is recognised in the hedging reserve in equity. Ineffective portions resulting from changes in the fair value of the hedging instrument are recognised directly in income. The gains and losses generated by the hedging transactions are initially recognised in equity and are then reclassified to profit or loss in the period in which the asset acquired or liability assumed affects profit or loss. If a hedge of a firm commitment subsequently results in the recognition of a non-financial asset, the gains and losses recognised directly in equity are included in the initial carrying amount of the asset (basis adjustment).

Net investment hedges in foreign entities are treated in the same way as cash flow hedges. The gain or loss from the effective portion of the hedge is recognised in other comprehensive income, whilst the gain or loss attributable to the ineffective portion is recognised directly in income. The gains or losses recognised in other comprehensive income remain there until the disposal or partial disposal of the net investment. Detailed information on hedging transactions can be found in Note 50.2.

Regular way purchases and sales of financial assets are recognised at the settlement date, with the exception of held-for-trading instruments, particularly derivatives. A financial asset is derecognised if the rights to receive the cash flows from the asset have expired. Upon transfer of a financial asset, a review is made under the requirements of IAS 39 governing disposal as to whether the asset should be derecognised. A disposal gain/loss arises upon disposal. The remeasurement gains/losses recognised in other comprehensive income in prior periods must be reversed as at the disposal date. Financial liabilities are derecognised if the payment obligations arising from them have expired.

Investment property

In accordance with IAS 40, investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the supply of services, for administrative purposes, or for sale in the normal course of the company's business. It is measured in accordance with the cost model. Depreciable investment property is depreciated over a period of between 5 and 50 years. The fair value is determined on the basis of expert opinions. Impairment losses are recognised in accordance with the principles described under the section headed "Impairment".

Inventories

Inventories are assets that are held for sale in the ordinary course of business, are in the process of production, or are consumed in the production process or in the rendering of services. They are measured at the lower of cost or net realisable value. Valuation allowances are charged for obsolete inventories and slow-moving goods.

Government grants

In accordance with IAS 20, government grants are recognised at their fair value only when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. The grants are reported in the income statement and are generally recognised as income over the periods in which the costs they are intended to compensate are incurred. Where the grants relate to the purchase or production of assets, they are reported as deferred income and recognised in the income statement over the useful lives of the assets.

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

Assets held for sale are assets available for sale in their present condition and whose sale is highly probable. The sale must be expected to qualify for recognition as a completed sale within one year of the date of classification. Assets held for sale may consist of individual non-current assets, groups of assets (disposal groups), or components of an entity (discontinued operations). Liabilities intended to be disposed of together with the assets in a single transaction form part of the disposal group or discontinued operation and are also reported separately as liabilities associated with assets held for sale. Assets held for sale are no longer depreciated or amortised, but are recognised at the lower of their fair value less costs to sell and the carrying amount. Gains and losses arising from the remeasurement of individual non-current assets or disposal groups classified as held for sale are reported in profit or loss from continuing operations until the final date of disposal. Gains and losses arising from the measurement to fair value less costs to sell of discontinued operations classified as held for sale are reported in profit or loss from discontinued operations. This also applies to the profit or loss from operations and the gain or loss on disposal of these components of an entity.

Cash and cash equivalents

Cash and cash equivalents comprise cash, demand deposits and other short-term liquid financial assets with an original maturity of up to three months and are carried at their principal amount. Overdraft facilities used are recognised in the balance sheet as amounts due to banks.

Share-based payment

In accordance with IFRS 2, the stock option plans for executives and the new executive bonus programme are measured using investment techniques based on option pricing models. The objective is to determine a fair value for the options. A stochastic simulation model (Monte Carlo simulation) is used for this purpose; this assumes a logarithmic normal distribution of the returns on Deutsche Post shares and the Dow Jones Euro STOXX Total Return Index. The options are measured at fair value on the grant date. The fair value thus calculated for options that will probably be exercisable is recognised in income under staff costs and allocated over the period until the options vest. Stock appreciation rights issued to members of the Board of Management and executives are measured on the basis of an equivalent option pricing model in accordance with IFRS 2. The stock appreciation rights are measured on each reporting date and on the settlement date. The amount determined for stock appreciation rights that will probably not lapse is recognised pro rata in income under staff costs to reflect the services rendered as consideration during the vesting period (lock-up period). A provision is recognised for the same amount.

Pension obligations

In a number of countries, the Group maintains defined benefit pension plans based on the pensionable compensation and length of service of employees. These pension plans are funded via external plan assets and provisions for pensions and other employee benefits. Pension obligations are measured using the projected unit credit method prescribed by IAS 19 for defined benefit plans. In accordance with IAS 19.92, actuarial gains and losses are recognised only to the extent that they exceed the greater of 10% of the present value of the obligations or of the fair value of plan assets. The excess is allocated over the expected remaining working lives of the active employees and recognised in income. The interest expense and expected return on plan assets components of the pension expense have been reported under net finance costs/net financial income since January 2009; the prior-period amounts were adjusted accordingly.

The Group also contributes to a number of defined contribution pension plans. Contributions to these pension plans are recognised as staff costs when they fall due. In 2009, employer contributions amounting to €189 million were paid in respect of these plans (previous year, adjusted: €152 million, excluding Deutsche Postbank Group).

Pension plans for civil servant employees in Germany

In addition to the state pension system operated by the statutory pension insurance funds, to which contributions for hourly workers and salaried employees are remitted in the form of non-wage costs, Deutsche Post AG pays contributions to defined contribution plans for civil servants in accordance with statutory provisions.

Until 2000, Deutsche Post AG operated a separate pension fund for its active and former civil servant employees. This fund was merged with the pension funds of Deutsche Telekom AG and Deutsche Postbank AG to form the joint special pension fund Bundes-Pensions-Service für Post und Telekommunikation e.V. (BPS-PT).

Under the provisions of the *Gesetz zur Neuordnung des Postwesens und der Telekommunikation* (PTNeuOG – German posts and telecommunications reorganisation act), Deutsche Post AG makes benefit and assistance payments from a special pension fund to retired employees or their surviving dependants who are entitled to benefits on the basis of a civil service appointment. The amount of Deutsche Post AG's payment obligations is governed by Section 16 of the *Postpersonalrechtsgesetz* (Deutsche Bundespost former employees act). Since 2000, Deutsche Post AG has been legally obliged to pay into this special pension fund an annual contribution of 33% of the pensionable gross compensation of active civil servants and the notional pensionable gross compensation of civil servants on leave of absence. In the year under review, Deutsche Post AG paid contributions of €559 million (previous year: €557 million) to Bundes-Pensions-Service für Post und Telekommunikation e.V.

Under the PTNeuOG, the federal government takes appropriate measures to make good the difference between the current payment obligations of the special pension fund on the one hand, and Deutsche Post AG's current contributions or the return on assets on the other, and guarantees that the special pension fund is able at all times to meet the obligations it has assumed in respect of its funding companies. Insofar as the federal government makes payments to the special pension fund under the terms of this guarantee, it cannot claim reimbursement from Deutsche Post AG.

Pension plans for hourly workers and salaried employees

The benefit obligations for the Group's hourly workers and salaried employees relate primarily to pension obligations in Germany and significant funded obligations in the UK, the Netherlands, Switzerland and the USA. There are various commitments to individual groups of employees. The commitments usually depend on length of service and final salary (e.g. the UK), are based on the amount of contributions paid (e.g. Switzerland), or take the form of a flat-rate contribution system (e.g. Germany). The obligations for defined benefit plans are measured using the projected unit credit method prescribed by IAS 19. Future obligations are determined using actuarial principles and on the basis of actuarial and economic assumptions. The expected benefits are built up over the entire length of service of the employees, taking into account changes in key parameters.

A large proportion of the defined benefit obligations in Germany relate to Deutsche Post AG. Deutsche Post AG established a pension fund on 30 December 2009. Pension obligations of Deutsche Post AG were transferred to this fund along with €650 million worth of assets. This measure did not change either the amount of the total obligation or the funded status at Deutsche Post AG.

In the USA, existing defined benefit pension plans were closed as at 31 December 2009 and converted to defined contribution pension plans for service periods as from 2010.

Other provisions

Other provisions are recognised for all legal or constructive obligations to third parties existing at the balance sheet date that have arisen as a result of past events, that are expected to result in an outflow of future economic benefits and whose amount can be measured reliably. They represent uncertain obligations that are carried at the best estimate of the expenditure required to settle the obligation. Provisions with more than one year to maturity are discounted at market rates of interest that reflect the risk, region and time to settlement of the obligation. The discount rates used in the financial year were between 1% and 12.75% (previous year: 2% to 19.50%).

Provisions for restructurings are only established – in accordance with the above-mentioned criteria for recognition – if a detailed, formal restructuring plan has been drawn up and communicated to those affected.

The technical reserves (insurance) consist mainly of outstanding loss reserves and IBNR (incurred but not reported claims) reserves. Outstanding loss reserves represent estimates of ultimate obligations in respect of actual claims or known incidents expected to give rise to claims, which have been reported to the company but which have yet to be finalised and presented for payment. Outstanding loss reserves are based on individual claim valuations carried out by the company or its ceding insurers. IBNR reserves represent estimates of ultimate obligations in respect of incidents taking place on or before the balance sheet date that have not been reported to the company but will nonetheless give rise to claims in the future. Such reserves also include provisions for potential errors in settling outstanding loss reserves. The company carries out its own assessment of ultimate loss liabilities using actuarial methods and also commissions an independent actuarial study of these each year in order to verify the reasonableness of its estimates.

Financial liabilities

On initial recognition, financial liabilities are carried at fair value less transaction costs. The price determined on a price-efficient and liquid market or a fair value determined using the treasury risk management system deployed within the Group is taken as the fair value. In subsequent periods the financial liabilities are measured at amortised cost. Any differences between the amount received and the amount repayable are recognised in income over the term of the loan using the effective interest method.

Liabilities

Trade payables and other liabilities are carried at amortised cost. The fair value of the liabilities corresponds more or less to their carrying amount.

Deferred taxes

In accordance with IAS 12, deferred taxes are recognised for temporary differences between the carrying amounts in the IFRS financial statements and the tax accounts of the individual entities. Deferred tax assets also include tax reduction claims which arise from the expected future utilisation of existing tax loss carryforwards and which are likely to be realised. In compliance with IAS 12.24 (b) and IAS 12.15 (b), deferred tax assets or liabilities were only recognised for temporary differences between the carrying amounts in the IFRS financial statements and in the tax accounts of Deutsche Post AG where the differences arose after 1 January 1995. No deferred tax assets or liabilities are recognised for temporary differences resulting from initial differences in the opening tax accounts of Deutsche Post AG as at 1 January 1995. Further details on deferred taxes from tax loss carryforwards can be found in Note 19.

In accordance with IAS 12, deferred tax assets and liabilities are calculated using the tax rates applicable in the individual countries at the balance sheet date or announced for the time when the deferred tax assets and liabilities are realised. The tax rate of 29.8% applied to German Group companies comprises the corporation tax rate plus the solidarity surcharge, as well as a municipal trade tax rate that is calculated as the average of the different municipal trade tax rates. Foreign Group companies use their individual income tax rates to calculate deferred tax items. The income tax rates applied for foreign companies amount to up to 41%.

Income taxes

Income tax assets and liabilities are measured at the amounts for which repayments from or payments to the tax authorities are expected to be received or made.

Contingent liabilities

Contingent liabilities represent possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent liabilities also include certain obligations that will probably not lead to an outflow of resources embodying economic benefits, or where the amount of the outflow of resources embodying economic benefits cannot be measured with sufficient reliability. In accordance with IAS 37, contingent liabilities are not recognised as liabilities, see Note 51.

8 Exercise of judgement in applying the accounting policies

The preparation of IFRS-compliant consolidated financial statements requires the exercise of judgement by management. All estimates are reassessed on an ongoing basis and are based on historical experience and expectations with regard to future events that appear reasonable under the given circumstances. This applies to the following matters in particular:

Different options for recognising actuarial gains and losses exist when measuring provisions for pensions and other employee benefits. The Group applies the corridor method in accordance with IAS 19.92 (10% corridor). With respect to assets held for sale, it must be determined whether the assets are available for sale in their present condition and whether their sale is highly probable. If this is the case, the assets and the associated liabilities are reported and measured as assets held for sale and liabilities associated with assets held for sale.

Estimates and assessments made by management

The preparation of the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made that affect the amounts of the assets and liabilities included in the balance sheet, the amounts of income and expenses, and the disclosures relating to contingent liabilities.

Amongst other things, these assumptions relate to the recognition and measurement of provisions. When determining the provisions for pensions and other employee benefits, the discount rate used is an important factor that has to be estimated. It is based on the rate of return on high-quality corporate bonds. The risk premiums for corporate bonds compared with government bonds declined substantially again year-on-year. As a result, the market returns on which the calculated rate of interest is based also fell. An increase or a reduction of one percentage point in the discount rate used would result in a reduction or increase of around €800 million in the pension obligations of pension plans in Germany. A similar change in the discount rate used to measure the pension obligations of the Group companies in the UK would result in a reduction or increase of around €450 million. Since actuarial gains and losses are only recognised if they exceed 10% of the higher of the defined benefit obligation and the fair value of the plan assets, changes in the discount rate used for the Group's benefit plans generally have little or no effect on the expense or the carrying amount of the provisions recognised in the following financial year.

The Group has operating activities around the globe and is subject to local tax laws. Management can exercise judgement when calculating the amounts of current and deferred taxes in the relevant countries. Although management believes that it has made a reasonable estimate relating to tax matters that are inherently uncertain, there can be no guarantee that the actual outcome of these uncertain tax matters will correspond exactly to the original estimate made. Any difference between actual events and the estimate made could have an effect on tax liabilities and deferred taxes in the period in which the matter is finally decided. The amount recognised for deferred tax assets could be reduced if the estimates of planned taxable income or the tax benefits achievable as a result of tax planning strategies are revised downwards, or in the event that changes to current tax laws restrict the extent to which future tax benefits can be realised.

Goodwill is regularly reported in the Group's balance sheet as a consequence of business combinations. When an acquisition is initially recognised in the consolidated financial statements, all identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. One of the most important estimates this requires is the determination of the fair values of these assets and liabilities at the date of acquisition. Land, buildings and office equipment are generally valued by independent experts, whilst securities for which there is an active market are recognised at the quoted exchange price. If intangible assets are identified in the course of an acquisition, their measurement can be based on the opinion of an independent external expert valuer, depending on the type of intangible asset and the complexity involved in determining its fair value. The independent expert determines the fair value using appropriate valuation techniques, normally based on expected future cash flows. In addition to the assumptions about the development of future cash flows, these valuations are also significantly affected by the discount rates used.

Impairment testing for goodwill is based on assumptions with respect to the future. The Group carries out these tests annually and also whenever there are indications that goodwill has become impaired. The recoverable amount of the CGU must then be calculated. This amount is the higher of fair value less costs to sell and value in use. Determining value in use requires adjustments and estimates to be made with respect to forecasted future cash flows and the discount rate applied. Although management believes that the assumptions made for the purpose of calculating the recoverable amount are appropriate, possible unforeseeable changes in these assumptions – e.g. a reduction in the EBIT margin, an increase in the cost of capital, or a decline in the long-term growth rate – could result in an impairment loss that could negatively affect the Group's net assets, financial position and results of operations.

Pending legal proceedings in which the Group is involved are disclosed in Note 53. The outcome of these proceedings could have a significant effect on the net assets, financial position and results of operations of the Group. Management regularly analyses the information currently available about these proceedings and recognises provisions for probable obligations including estimated legal costs. Internal and external legal advisers participate in making this assessment. In deciding on the necessity for a provision, management takes into account the probability of an unfavourable outcome and whether the amount of the obligation can be estimated with sufficient reliability. The fact that an action has been launched or a claim asserted against the Group, or that a legal dispute has been disclosed in the Notes, does not necessarily mean that a provision is recognised for the associated risk.

All assumptions and estimates are based on the circumstances prevailing and assessments made at the balance sheet date. For the purpose of estimating the future development of the business, a realistic assessment was also made at that date of the economic environment likely to apply in the future to the different sectors and regions in which the Group operates. In the event of developments in this general environment that diverge from the assumptions made, the actual amounts may differ from the estimated amounts. In such cases, the assumptions made and, where necessary, the carrying amounts of the relevant assets and liabilities are adjusted accordingly.

At the date of preparation of the consolidated financial statements, there is no indication that any significant change in the assumptions and estimates made will be required, so that on the basis of the information currently available it is not expected that there will be any significant adjustments in financial year 2010 to the carrying amounts of the assets and liabilities recognised in the financial statements.

9 Consolidation methods

The consolidated financial statements are based on the IFRS financial statements of Deutsche Post AG and the subsidiaries, joint ventures and associates included in the consolidated financial statements, prepared in accordance with uniform accounting policies as at 31 December 2009 and audited by independent auditors.

Acquisition accounting for subsidiaries included in the consolidated financial statements uses the purchase method of accounting. The cost of the acquisition corresponds to the fair value of the assets given up, the equity instruments issued and the liabilities incurred or assumed at the transaction date, plus any costs directly attributable to the acquisition.

Joint ventures are proportionately consolidated in accordance with IAS 31. Assets and liabilities, as well as income and expenses, of jointly controlled companies are included in the consolidated financial statements in proportion to the interest held in these companies. Proportionate acquisition accounting as well as recognition and measurement of goodwill use the same methods as applied to the consolidation of subsidiaries.

Companies on which the parent can exercise significant influence (associates) are accounted for in accordance with the equity method using the purchase method of accounting. Any goodwill is recognised under investments in associates.

Intragroup revenue, other operating income and expenses as well as receivables, liabilities and provisions between consolidated companies are eliminated. Intercompany profits or losses from intragroup deliveries and services not realised by sale to third parties are eliminated.

SEGMENT REPORTING DISCLOSURES

10 Segment reporting disclosures

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 revised chart of accounts for financial instruments resulted in changes in the allocation of the accounts to the segment assets and liabilities. The effects were of minor significance. The prior-period amounts were adjusted accordingly.

Reflecting the Group's predominant organisational structure, the primary reporting format is based on the divisions. The Group distinguishes between the following divisions:

10.1 Segments by division

MAIL

In addition to the transport and delivery of written communications, the MAIL division is positioned as an end-to-end service provider for the management of written communications. The division comprises the following business units: Mail Communication, Dialogue Marketing, Press Services, Parcel Germany, Global Mail, Retail Outlets and the Pension Service.

EXPRESS

The EXPRESS division offers international and domestic courier and express services to business and private customers. The division comprises the Express Europe, Express Americas, Express Asia Pacific and Express EEMEA business units.

GLOBAL FORWARDING, FREIGHT

The activities of the GLOBAL FORWARDING, FREIGHT division comprise the transportation of goods by rail, road, air and sea. The division's business units are Global Forwarding and Freight.

SUPPLY CHAIN

The division specialises in contract logistics and provides warehousing and transport services as well as sector-based value-added services along the entire supply chain. The division also offers end-to-end solutions for corporate information and communications management. The division's business units are Supply Chain and Williams Lea (formerly Corporate Information Solutions).

In addition to the reportable segments given above, segment reporting comprises the following categories:

Corporate Center/Other

The collective segment comprises Global Business Services (GBS), the Corporate Center, 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).

Consolidation

The data for the divisions are presented following consolidation of interdivisional transactions. The transactions between the divisions are eliminated in the "Consolidation" column.

Discontinued operation

The Deutsche Postbank Group is reported as a discontinued operation for the months of January and February 2009 and for the previous year. Effective March 2009, the remaining shares are disclosed under investments in associates and the net income from associates is reported in the column entitled "Corporate Center/Other".

Reconciliation of segment amounts to consolidated amounts

Reconciliation

€m	Total for reportable segments 2008	Total for reportable segments 2009	Corporate Center/Other 2008	Corporate Center/Other 2009	Reconciliation to Group/Consolidation 2008	Reconciliation to Group/Consolidation 2009	Consolidated amount 2008	Consolidated amount 2009
External revenue	54,375	46,129	99	72	0	0	54,474	46,201
Internal revenue	1,552	1,244	1,683	1,455	–3,235	–2,699	0	0
Revenue	55,927	47,373	1,782	1,527	–3,235	–2,699	54,474	46,201
Other operating income	2,212	1,786	1,693	1,528	–1,169	–1,173	2,736	2,141
Materials expense	–33,285	–26,932	–1,514	–1,459	2,820	2,617	–31,979	–25,774
Staff costs	–17,391	–16,099	–1,009	–940	11	18	–18,389	–17,021
Other operating expenses	–5,700	–4,248	–1,019	–685	1,573	1,237	–5,146	–3,696
Depreciation, amortisation and impairment losses	–2,336	–1,321	–326	–299	0	0	–2,662	–1,620
Profit/loss from operating activities (EBIT)	–573	559	–393	–328	0	0	–966	231
Net income from associates	2	9	0	19	0	0	2	28
Net other finance costs/net other financial income	–	–	–	–	–	–	–102	17
Income taxes	–	–	–	–	–	–	–200	–15
Profit/loss from discontinued operations	–	–	–	–	–	–	–713	432
Consolidated net profit/loss for the period	–	–	–	–	–	–	–1,979	693
of which attributable to								
Deutsche Post AG shareholders	–	–	–	–	–	–	–1,688	644
Minorities	–	–	–	–	–	–	–291	49

External revenue is the revenue generated by the divisions from non-Group third parties. Internal revenue is revenue generated with other divisions. If comparable external market prices exist for services or products offered internally within the Group, these market prices or market-oriented prices are used as transfer prices (arm's length principle). The transfer prices for services for which no external market exists are generally based on incremental costs.

The expenses for IT services provided in the IT service centres are allocated to the divisions by cause. The additional costs resulting from Deutsche Post AG's universal postal service obligation (nationwide retail outlet network, delivery every working day), and from its obligation to assume the compensation structure as the legal successor to Deutsche Bundespost, are allocated to the MAIL division.

Segment assets are composed of non-current assets (excluding non-current financial assets) and current assets (excluding income tax assets, cash and cash equivalents, and current financial assets). Purchased goodwill is allocated to the divisions.

Reconciliation of segment assets

€m	2008	2009
Total assets	262,964	34,738
Investment property	–32	–32
Non-current financial assets including investments in associates	–779	–3,220
Other non-current assets	–343	–323
Deferred tax assets	–1,033	–668
Income tax assets	–191	–196
Receivables and other assets	–50	–29
Current financial assets	–659	–1,861
Cash and cash equivalents	–1,350	–3,064
Discontinued operations	–231,824	0
Segment assets	**26,703**	**25,345**
of which Corporate Center/Other	1,377	1,271
Total for reportable segments	25,727	24,335
Consolidation	–401	–261

Segment liabilities relate to non-interest-bearing provisions and liabilities (excluding income tax liabilities).

Reconciliation of segment liabilities

€m

	2008	2009
Total equity and liabilities	262,964	34,738
Equity	–9,852	–8,273
Consolidated liabilities	**253,112**	**26,465**
Non-current provisions	–8,029	–7,031
Non-current liabilities	–3,685	–7,071
Current provisions	–303	–344
Current liabilities	–1,837	–1,066
Discontinued operations	–227,723	0
Segment liabilities	**11,535**	**10,953**
of which Corporate Center/Other	1,244	1,123
Total for reportable segments	10,712	10,149
Consolidation	–421	–319

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. Depreciation, amortisation and write-downs relate to the segment assets allocated to the individual divisions. Other non-cash expenses relate primarily to expenses from the recognition of provisions.

10.2 Information about geographical regions

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, assets and capex are allocated to the individual regions on the basis of the domicile of the reporting entity. The prior-period amounts were adjusted accordingly. Non-current assets primarily comprise intangible assets, property, plant and equipment, and other non-current assets.

INCOME STATEMENT DISCLOSURES

11 Revenue

€m

	2008	2009
Revenue	54,474	46,201

As in the prior-year period, there was no revenue in financial year 2009 that was generated on the basis of barter transactions. Revenue was down year-on-year in all areas. This was due to the global recession and to our exit from the domestic US express business and exchange rate losses.

The further classification of revenue by division and the allocation of revenue to geographical regions are presented in the segment reporting.

12 Other operating income

€m

	2008	2009
Income from the reversal of provisions	253	562
Rental and lease income	178	172
Insurance income	173	171
Income from currency translation differences	269	161
Income from work performed and capitalised	168	138
Income from fees and reimbursements	103	124
Income from derivatives	86	90
Reversals of impairment losses on receivables and other assets	64	81
Income from the remeasurement of liabilities	118	77
Commission income	66	69
Gains on disposal of non-current assets	147	40
Income from the derecognition of liabilities	23	38
Income from prior-period billings	626	34
Income from loss compensation	23	22
Recoveries on receivables previously written off	9	11
Subsidies	8	7
Miscellaneous	422	344
Other operating income	**2,736**	**2,141**

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.

13 Materials expense

€m	2008	2009
Cost of raw materials, consumables and supplies, and of goods purchased and held for resale		
Fuel	968	736
Aircraft fuel	781	454
Packaging material	390	317
Goods purchased and held for resale	1,352	1,311
Office supplies	79	68
Spare parts and repair materials	92	83
Other expenses	100	83
	3,762	3,052
Cost of purchased services		
Transportation costs	19,483	14,791
Cost of temporary staff	2,321	1,904
Expenses from non-cancellable leases	1,735	1,820
Expenses from cancellable leases	469	405
Other lease expenses (incidental expenses)	185	145
Maintenance costs	994	957
IT services	764	667
Commissions paid	343	341
Expenses for the use of Postbank branches	484	519
Other purchased services	1,439	1,173
	28,217	22,722
Materials expense	**31,979**	**25,774**

The decline in the materials expense is due to lower sales resulting from the general market situation, to our exit from the domestic US express business and to the drop in the oil price.

Other purchased services include a large number of individual items.

14 Staff costs/employees

€m	2008 adjusted[1]	2009
Wages, salaries and compensation	14,104	13,160
of which expenses for options under the stock option plans	4	0
of which expenses under Share Matching Scheme	0	5
of which expenses from 2006 SAR Plan/LTIP	0	11
Social security contributions	2,382	2,638
Retirement benefit expenses	1,903	1,223
Staff costs	**18,389**	**17,021**

1) Prior-period amount adjusted, see Note 5.

In particular, our exit from the domestic US express business led to a reduction in staff costs.

Retirement benefit expenses include €559 million (previous year: €557 million) relating to contributions by Deutsche Post AG to Bundes-Pensions-Service für Post und Telekommunikation e.V. Further details can be found in Note 7.

Staff costs relate mainly to wages, salaries and compensation, as well as all other benefits paid to employees of the Group for their services in the year under review. Social security contributions relate in particular to statutory social security contributions paid by employers. The decrease is mainly attributable to the compensation payment obligations assumed in the previous year as part of the restructuring measures in the USA.

Retirement benefit expenses relate to current and former employees or their surviving dependants. These expenses consist of additions to pension provisions, employer contributions to supplementary occupational pension plans and retirement benefit payments by employers for their employees.

The average number of Group employees in the year under review, broken down by employee group, was as follows:

Employees

	2008	2009
Hourly workers and salaried employees	456,149	435,072
Civil servants	51,304	49,691
Trainees	3,839	3,755
Employees	**511,292**	**488,518**

The employees of companies acquired or disposed of during the year under review were included ratably. Calculated as full-time equivalents, the number of employees as at 31 December 2009 amounted to 424,686 (31 December 2008: 451,515). The number of employees at consolidated joint ventures amounted to 1,589 on a proportionate basis (previous year: 1,709).

15 Depreciation, amortisation and impairment losses

€m	2008	2009
Amortisation of intangible assets, excluding the impairment of goodwill	826	421
Depreciation of property, plant and equipment		
Land and buildings	203	282
Technical equipment and machinery	338	287
Other equipment, operating and office equipment, vehicle fleet	480	478
Aircraft	202	151
Advance payments	3	1
	1,226	1,199
	2,052	1,620
Impairment of goodwill	610	0
Depreciation, amortisation and impairment losses	**2,662**	**1,620**

Depreciation, amortisation and impairment losses includes impairment losses of €264 million (previous year: €213 million). €92 million of this figure relates to the insolvency of Arcandor. A further €23 million relates to impairment losses on property, plant and equipment in the domestic US express business and €24 million to impairment losses on aircraft.

€81 million of the impairment losses relates to intangible assets (previous year: €79 million) and €98 million to land and buildings (previous year: €9 million), whilst €85 million relates to the remaining property, plant and equipment (previous year: €125 million).

At segment level, the impairment losses on non-current assets (excluding impairment of goodwill) were as follows:

Impairment losses on non-current assets

€m	2008	2009
MAIL	4	0
EXPRESS	125	116
GLOBAL FORWARDING, FREIGHT	0	0
SUPPLY CHAIN	19	91
Corporate Center/Other	65	57
Impairment losses	**213**	**264**

Impairments of goodwill in the previous year related to DHL Supply Chain (€436 million) and Williams Lea (formerly CIS, €174 million).

16 Other operating expenses

€m	2008	2009
Write-downs of current assets	321	328
Travel and training costs	450	308
Warranty expenses, refunds and compensation payments	326	290
Cost of purchased cleaning, transport and security services	302	280
Other business taxes	378	273
Telecommunication costs	269	236
Expenses from disposal of assets	503	236
Consulting costs	272	184
Office supplies	207	177
Expenses from currency translation differences	269	163
Voluntary social benefits	132	142
Insurance costs	118	112
Entertainment and corporate hospitality expenses	163	110
Other public relations expenses	163	101
Legal costs	167	97
Advertising expenses	142	82
Services provided by the Federal Posts and Telecommunications Agency	70	81
Commissions paid	64	70
Expenses for public relations and customer support	70	56
Additions to provisions	112	51
Contributions and fees	37	49
Expenses from derivatives	221	34
Prior-period other operating expenses	85	32
Audit costs	36	31
Monetary transaction costs	35	24
Donations	18	2
Miscellaneous	216	147
Other operating expenses	**5,146**	**3,696**

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

Write-downs of current assets include write-downs of receivables from Arcandor/KarstadtQuelle in the amount of €51 million.

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

Taxes other than income taxes are either recognised under the related expense item or, if no specific allocation is possible, under other operating expenses.

17 Net income from associates

€m	2008	2009
Net income from associates	2	28

Investments in companies on which a significant influence can be exercised and which are accounted for using the equity method contributed €28 million (previous year: €2 million) to net finance costs/net financial income. The change as against the prior-year figure is due to the inclusion of Deutsche Postbank AG as an associate.

18 Net other finance costs/net other financial income

€m	2008 adjusted[1]	2009
Other financial income		
Interest income	576	106
Income from other equity investments and financial assets	15	2
Other financial income	7	1,777
	598	1,885
Other finance costs		
Interest expenses	–664	–820
of which on discounted provisions for pensions and other provisions	–290	–439
Cost of loss absorption	0	0
Write-downs of financial assets	–30	–33
Other finance costs	–20	–1,004
	–714	–1,857
Foreign currency result	14	–11
Net other finance costs/net other financial income	**–102**	**17**

1) Prior-period amount adjusted, see Note 5.

Net other finance costs/net other financial income includes realised gains from the sale of Deutsche Bank shares in the amount of €127 million. In addition, income of €505 million comprises on the one hand the interest on the exchangeable bond (€–103 million) and on the other the gain on the measurement of the options for the third tranche and the interest on the cash collateral (€608 million).

Net finance costs/net financial income includes interest income from financial assets of €106 million (previous year: €576 million) as well as interest expense from financial liabilities of €820 million (previous year: €664 million) that was not measured at fair value through profit or loss.

19 Income taxes

€m

	2008	2009
Current income tax expense	–352	–324
Current recoverable income tax	25	40
	–327	–284
Deferred tax income from temporary differences	140	172
Deferred tax income (previous year: tax expense) from the reduction in deferred tax assets from tax loss carryforwards	–13	97
	127	269
Income tax expense	**–200**	**–15**

The reconciliation to the effective income tax expense is shown below, based on consolidated net profit before income taxes and the expected income tax expense:

Reconciliation

€m

	2008	2009
Profit/loss from continuing operations before income taxes	–1,066	276
Expected income tax expense	318	–82
Deferred tax assets not recognised for initial differences	420	304
Deferred tax assets of German Group companies not recognised for tax loss carryforwards and temporary differences	–469	–280
Deferred tax assets of foreign Group companies not recognised for tax loss carryforwards and temporary differences	–424	–130
Effect of current taxes from previous years	45	5
Tax-exempt income and non-deductible expenses	–118	143
Differences in tax rates at foreign companies	30	27
Other	–2	–2
Effective income tax expense from continuing operations	**–200**	**–15**

The difference between the expected and the effective income tax expense is due in particular to temporary differences between the carrying amounts in the IFRS financial statements and in the tax accounts of Deutsche Post AG resulting from initial differences in the opening tax accounts as at 1 January 1995. In accordance with IAS 12.15 (b) and IAS 12.24 (b), the Group did not recognise any deferred tax assets on these temporary differences, which relate mainly to property, plant and equipment as well as to provisions for pensions and other employee benefits. The remaining temporary differences between the carrying amounts in the IFRS financial statements and in the opening tax accounts amounted to €1.0 billion as at 31 December 2009 (previous year: €2.0 billion).

The effects from deferred tax assets of German Group companies not recognised on tax loss carryforwards and temporary differences relate primarily to Deutsche Post AG and members of its consolidated tax group. Effects from deferred tax assets of foreign companies not recognised on tax loss carryforwards and temporary differences relate primarily to the Americas region.

Effects from unrecognised deferred tax assets amounting to €648 million (previous year: €585 million, reversal) were due to a write-down of deferred tax assets. The income tax expense was reduced by €128 million (previous year: €17 million) as a result of the utilisation of tax losses not previously reflected in the financial statements.

A deferred tax asset for German companies in the amount of €472 million (previous year: €332 million) was recognised in the balance sheet as, based on tax planning, realisation of the tax asset is probable.

In financial year 2009, as in the previous year, German Group companies were not affected by tax rate changes. The change in the tax rate in some foreign tax jurisdictions did not lead to any significant effects.

The effective income tax expense includes prior-period tax income from German and foreign companies in the amount of €5 million (previous year: €–45 million).

The following table presents the tax effects on the components of other comprehensive income:

Other comprehensive Income

€m

	Before taxes	Income taxes	After taxes
2009			
Currency translation reserve	196	0	196
Hedging reserve in accordance with IAS 39	–46	29	–17
Revaluation reserve in accordance with IAS 39	110	–29	81
Share of other comprehensive income of associates	123	0	123
Other comprehensive income	**383**	**0**	**383**
2008			
Currency translation reserve	–502	0	–502
Hedging reserve in accordance with IAS 39	65	–28	37
Revaluation reserve in accordance with IAS 39	–263	82	–181
Revaluation reserve in accordance with IFRS 3	8	0	8
Other comprehensive income	**–692**	**54**	**–638**

20 Profit/loss from continuing operations

The profit from continuing operations in financial year 2009 amounted to €261 million (previous year: loss of €1,266 million). The previous year was mainly impacted by restructuring measures in the Group and the impairment losses recognised on intangible assets in the Supply Chain and Williams Lea (formerly CIS) units.

21 Profit/loss from discontinued operations

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

€m	2008	2009
Income from banking transactions (revenue)	11,226	1,634
Other operating income	–998	–27
Total operating income	**10,228**	**1,607**
Expenses from banking transactions (materials expense)	–8,270	–1,190
Staff costs	–1,337	–219
Depreciation, amortisation and impairment losses	–179	0
Other operating expenses	–1,313	–222
Total operating expenses	**–11,099**	**–1,631**
Loss from operating activities (EBIT)	**–871**	**–24**
Net finance costs	–73	–13
Loss before taxes from discontinued operations	**–944**	**–37**
Attributable tax income	150	25
Loss after taxes from discontinued operations	**–794**	**–12**
Reversal of negative goodwill (arising from increase in equity investment)/deconsolidation effects	81	444
Profit/loss from discontinued operations	**–713**	**432**

Since March 2009, the remaining shares in the Deutsche Postbank Group have been reported at their equity-method carrying amount under investments in associates, whilst its profit or loss has been reported under net income from associates.

22 Consolidated net profit/loss for the period

In financial year 2009, the Group generated a consolidated net profit for the period of €693 million (previous year: net loss of €1,979 million). Of the consolidated net profit, €644 million (previous year: net loss of €1,688 million) was attributable to Deutsche Post AG shareholders.

23 Minorities

The net profit of €49 million attributable to minorities in financial year 2009 represented an increase of €340 million year-on-year. The change is primarily due to the inclusion of the Deutsche Postbank Group as an equity-accounted associate.

24 Earnings per share

Basic earnings per share are computed in accordance with IAS 33 (Earnings per Share) by dividing consolidated net profit by the average number of shares. Basic earnings per share for financial year 2009 were €0.53 (previous year: €–1.40).

Basic earnings per share

		2008	2009
Consolidated net profit/loss attributable to Deutsche Post AG shareholders	€m	–1,688	644
Weighted average number of shares outstanding	Number	1,208,617,943	1,209,015,874
Basic earnings per share	€	**–1.40**	**0.53**
of which from continuing operations	€	–1.10	0.17
of which from discontinued operations	€	–0.30	0.36

To compute diluted earnings per share, the average number of shares outstanding is adjusted for the number of all potentially dilutive shares. 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 options and stock appreciation rights (SAR) belonging to this tranche that were unexercised as at 30 June 2009 expired. As a result, there were no further options for executives outstanding as at the closing date for the 2004 tranche (previous year: 2,726,658). In financial year 2009, the new executive bonus system (Share Matching Scheme) resulted in 389,585 rights to shares, none of which were dilutive.

Diluted earnings per share

		2008	2009
Consolidated net profit/loss attributable to Deutsche Post AG shareholders	€m	–1,688	644
Weighted average number of shares outstanding	Number	1,208,617,943	1,209,015,874
Potentially dilutive shares	Number	0	0
Weighted average number of shares for diluted earnings	Number	1,208,617,943	1,209,015,874
Diluted earnings per share	€	**–1.40**	**0.53**
of which from continuing operations	€	–1.10	0.17
of which from discontinued operations	€	–0.30	0.36

25 Dividend per share

A dividend per share of €0.60 is being proposed for financial year 2009. Based on the 1,209,015,874 shares recorded in the commercial register as at 31 December 2009, this corresponds to a dividend distribution of €725 million. In the previous year the dividend amounted to €0.60 per share. Further details on the dividend distribution can be found in Note 42.

BALANCE SHEET DISCLOSURES

26 Intangible assets

26.1 Overview

€m	Internally generated intangible assets	Purchased brand names	Purchased customer lists	Other purchased intangible assets	Goodwill	Advance payments and intangible assets under development	Total
Cost							
Balance at 1 January 2008	1,298	858	986	1,773	11,770	153	16,838
Additions to consolidated group	0	3	54	4	180	0	241
Additions	129	0	0	142	118	74	463
Reclassifications	38	0	0	103	0	–120	21
Disposals	–455	–318	–176	–604	–649	8	–2,194
Currency translation differences	0	–133	–73	–16	–230	–7	–459
Balance at 31 December 2008/1 January 2009	**1,010**	**410**	**791**	**1,402**	**11,189**	**108**	**14,910**
Additions to consolidated group	0	0	0	0	26	1	27
Additions	88	0	0	94	30	59	271
Reclassifications	16	0	–6	64	0	–54	20
Disposals	–80	0	0	–155	–47	–109	–391
Currency translation differences	–1	36	20	12	93	1	161
Balance at 31 December 2009	**1,033**	**446**	**805**	**1,417**	**11,291**	**6**	**14,998**
Amortisation and impairment losses							
Balance at 1 January 2008	**759**	**0**	**178**	**1,205**	**440**	**30**	**2,612**
Additions to consolidated group	0	0	0	1	0	0	1
Amortisation	113	382	90	213	0	0	798
Impairment losses	64	0	0	11	610	4	689
Reclassifications	–1	0	0	–1	0	0	–2
Reversal of impairment losses	–2	0	0	–6	0	0	–8
Disposals	–258	0	–28	–496	–9	0	–791
Currency translation differences	6	0	–22	–1	0	1	–16
Balance at 31 December 2008/1 January 2009	**681**	**382**	**218**	**926**	**1,041**	**35**	**3,283**
Additions to consolidated group	0	0	0	0	0	0	0
Amortisation	93	0	83	164	0	0	340
Impairment losses	2	0	0	77	0	2	81
Reclassifications	2	0	0	3	0	–1	4
Reversal of impairment losses	0	0	0	0	0	0	0
Disposals	–65	0	0	–133	–33	–94	–325
Currency translation differences	–2	34	4	5	40	0	81
Balance at 31 December 2009	**711**	**416**	**305**	**1,042**	**1,048**	**–58**	**3,464**
Carrying amount at 31 December 2009	**322**	**30**	**500**	**375**	**10,243**	**64**	**11,534**
Carrying amount at 31 December 2008	**329**	**28**	**573**	**476**	**10,148**	**73**	**11,627**

Purchased software, concessions, industrial rights, licences and similar rights and assets are reported under purchased intangible assets. Internally generated intangible assets relate to development costs for internally developed software.

26.2 Allocation of goodwill to CGU

€m	2008	2009
Total goodwill[1]	**10,148**	**10,243**
MAIL		
MAIL National	37	38
MAIL International	543	552
EXPRESS	4,103	4,142
GLOBAL FORWARDING, FREIGHT		
DHL Global Forwarding	3,443	3,451
DHL Freight Europe	253	253
SUPPLY CHAIN		
DHL Supply Chain	1,550	1,581
Williams Lea	333	340

1) Goodwill from reconciliation amounts to €–114 million (previous year: €–114 million).

The structure of the cash generating units (CGU) was not changed compared with the previous year. The Williams Lea CGU shown in the table above corresponds to the Corporate Information Solutions (CIS) CGU shown last year.

For the purposes of annual impairment testing in accordance with IAS 36, the Group determines the recoverable amount of a CGU on the basis of its value in use. This calculation is based on projections of free cash flows that are initially discounted at a rate corresponding to the post-tax cost of capital. Pre-tax discount rates are then determined iteratively.

The cash flow projections are based on the detailed EBIT and investment planning adopted by management and take both internal historical data and external macroeconomic data into account. From a methodological perspective, the detailed planning phase covers a three-year planning horizon from 2010 to 2012. It is supplemented by a perpetual annuity representing the value added from 2013 onwards. This is calculated using a long-term growth rate, which is determined for each CGU separately and which is shown in the table below. The growth rate used reflects expectations regarding industry growth for the CGU, but does not exceed the estimated long-term growth rate for the countries with the highest contribution to earnings in the relevant CGU. The cash flow forecasts are based both on historical amounts and on the anticipated future general market trend. In addition, the forecasts take into account growth in the respective national business operations and in international trade, and the ongoing trend towards outsourcing logistics activities. Cost estimates for the transportation network and services also have an impact on value in use.

The pre-tax cost of capital is based on the weighted average cost of capital. The (pre-tax) discount rates for the individual CGU and the growth rates assumed in each case for the perpetual annuity are shown in the following table:

%	Discount rates		Growth rates	
	2008	2009	2008	2009
SUPPLY CHAIN				
DHL Supply Chain	11.1	10.7	2.5	2.5
Williams Lea	11.3	11.6	2.0	2.0
GLOBAL FORWARDING, FREIGHT				
DHL Freight Europe	11.1	10.8	2.0	2.0
DHL Global Forwarding	11.2	10.7	2.5	2.5
MAIL				
MAIL National	n/a	11.2	n/a	0.0
MAIL International	11.4	10.7	1.0	1.0
EXPRESS	10.6	10.7	2.5	2.0

As at 31 December 2008, the MAIL National CGU met all of the criteria set out in IAS 36.99 and a detailed recalculation of the recoverable amount was therefore not required. There was no risk of impairment for this CGU as at 31 December 2008.

On the basis of these assumptions and the impairment tests carried out for the individual CGU to which goodwill was allocated, it was established that the recoverable amounts for all CGU exceed their carrying amounts. No impairment losses were recognised on goodwill in any of the CGU as at 31 December 2009.

27 Property, plant and equipment

27.1 Overview

€m	Land and buildings	Technical equipment and machinery	Other equipment, office and operating equipment	Aircraft	Vehicle fleet and transport equipment	Advance payments and assets under development	Total
Cost							
Balance at 1 January 2008	7,268	4,076	3,431	1,367	2,046	305	18,493
Additions to consolidated group	46	15	21	0	25	2	109
Additions	141	231	285	94	255	447	1,453
Reclassifications	80	169	42	44	31	–390	–24
Disposals	–2,597	–219	–1,328	–73	–873	–55	–5,145
Currency translation differences	–89	–91	–53	4	–88	–13	–330
Balance at 31 December 2008/1 January 2009	**4,849**	**4,181**	**2,398**	**1,436**	**1,396**	**296**	**14,556**
Additions to consolidated group	1	1	4	0	7	0	13
Additions	74	182	230	110	127	207	930
Reclassifications	32	68	26	160	25	–332	–21
Disposals	–316	–275	–292	–95	–211	–44	–1,233
Currency translation differences	37	40	23	1	24	3	128
Balance at 31 December 2009	**4,677**	**4,197**	**2,389**	**1,612**	**1,368**	**130**	**14,373**
Depreciation and impairment losses							
Balance at 1 January 2008	**2,583**	**2,973**	**2,604**	**483**	**1,099**	**–3**	**9,739**
Additions to consolidated group	24	12	15	0	11	0	62
Depreciation	208	278	293	164	198	0	1,141
Impairment losses	9	60	21	38	3	3	134
Reclassifications	10	1	–4	2	–3	–5	1
Reversal of impairment losses	–1	0	0	0	0	0	–1
Disposals	–881	–127	–1,152	–65	–827	–1	–3,053
Currency translation differences	–19	–40	–38	1	–45	–2	–143
Balance at 31 December 2008/1 January 2009	**1,933**	**3,157**	**1,739**	**623**	**436**	**–8**	**7,880**
Additions to consolidated group	1	1	3	0	3	0	8
Depreciation	184	247	250	127	208	0	1,016
Impairment losses	98	40	10	24	10	1	183
Reclassifications	4	–2	6	–5	3	–9	–3
Reversal of impairment losses	0	0	0	0	0	0	0
Disposals	–240	–236	–270	–77	–165	–1	–989
Currency translation differences	12	20	16	–3	13	0	58
Balance at 31 December 2009	**1,992**	**3,227**	**1,754**	**689**	**508**	**–17**	**8,153**
Carrying amount at 31 December 2009	**2,685**	**970**	**635**	**923**	**860**	**147**	**6,220**
Carrying amount at 31 December 2008	**2,916**	**1,024**	**659**	**813**	**960**	**304**	**6,676**

Advance payments relate only to advance payments on items of property, plant and equipment for which the Group has paid advances in connection with uncompleted transactions. Assets under development relate to items of property, plant and equipment in progress at the balance sheet date for whose production internal or third-party costs have already been incurred. Items of property, plant and equipment pledged as collateral amounted to less than €1 million, as in the prior year.

27.2 Finance leases

The following assets are carried as non-current assets resulting from finance leases:

€m	2008	2009
Intangible assets	3	0
Land and buildings	76	57
Technical equipment and machinery	27	24
Other equipment, operating and office equipment	31	30
Aircraft	444	407
Vehicle fleet and transport equipment	11	3
Finance leases	**592**	**521**

The corresponding liabilities from finance leases are included under financial liabilities, see Note 46.

28 Investment property

€m	2008	2009
Cost		
As at 1 January	260	45
Additions to consolidated group	0	0
Additions	1	0
Reclassifications	2	0
Disposals	–219	0
Currency translation differences	1	0
As at 31 December	45	45
Depreciation		
As at 1 January	73	13
Additions to consolidated group	0	0
Depreciation/impairment losses	1	0
Changes in fair value	0	0
Reclassifications	1	0
Disposals	–62	0
Currency translation differences	0	0
As at 31 December	13	13
Carrying amount as at 31 December	**32**	**32**

In financial year 2009 as in the previous year, €18 million of investment property related to Exel Inc., USA, and €14 million to Deutsche Post AG. Rental income for this property amounted to €1 million (previous year: €1 million), whilst the related expenses also amounted to €1 million (previous year: €1 million). The fair value amounted to €77 million (previous year: €78 million).

29 Investments in associates

Investments in associates developed as follows:

€m	2008	2009
As at 1 January	203	61
Additions	0	1,561
Changes in Group's share of equity		
Changes recognised in profit or loss	2	28
Profit distributions	–1	–1
Changes recognised in other comprehensive income	0	123
Disposals	–143	0
Carrying amount as at 31 December	**61**	**1,772**

The change reported in investments in associates is primarily due to Deutsche Postbank AG. Since March 2009, the 39.5% interest in the company remaining following the sale of the 22.9% stake has been accounted for using the equity method. Since this also accounts for the largest portion of this balance sheet item, the following table only reports the assets, liabilities, income from banking transactions and net profit of Deutsche Postbank AG (all items 100%).

Deutsche Postbank AG's figures have been based on the last published interim financial statements as at 30 September 2009 and the last published consolidated financial statements as at 31 December 2008 because audited consolidated financial statements from Deutsche Postbank AG for the year ending 31 December 2009 were not available when Deutsche Post AG's consolidated financial statements were prepared. This does not apply to the preliminary annual results for 2009 which were taken from a press release.

€m	2008	2009
Assets	231,282[1)]	239,280
Liabilities	226,263[1)]	234,002
Income from banking transactions[3)]	11,232[1)]	6,963
Profit (+)/loss (–)	–886[2)]	76

1) Amounts not including the restatement by Deutsche Postbank AG.
2) Preliminary amounts including the restatement by Deutsche Postbank AG.
3) Income from banking transactions includes interest income, commission income and net trading income.

The equity investment in Deutsche Postbank AG attributable to Deutsche Post AG had a market valuation of €1,977 million as at 31 December 2009, based on the price of €22.88 per share. As at 31 December 2009, Deutsche Post AG held 86,417,432 shares of Deutsche Postbank. All Postbank shares were pledged as collateral in connection with the second and third tranches of the sale of the interest in Postbank, see Notes 2, 3 and 50.

30 Non-current financial assets

€m	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Available-for-sale financial assets	301	158	150
Loans and receivables	579	461	353
Assets at fair value through profit or loss	95	89	805
Held-to-maturity financial assets	10	10	27
Lease receivables	0	0	52
Miscellaneous	0	0	61
Non-current financial assets	**985**	**718**	**1,448**

1) Prior-period amount adjusted, see Note 5.

Following the revision of the chart of accounts, the derivatives previously reported under other non-current assets (2008: €89 million; 1 January 2008: €95 million) and the rental deposits provided (2008: €55 million; 1 January 2008: €33 million) were reclassified to non-current financial assets, and the accounts within the "loans and receivables" and "financial assets available for sale" categories were rearranged.

The assets at fair value through profit or loss mainly consist of a put option related to the sale of the interest in Deutsche Postbank to Deutsche Bank AG, see Note 50. This item also includes derivatives for hedging the currency risk.

Write-downs on financial assets amounting to €33 million (previous year: €30 million) were recognised in the income statement because the assets were impaired. A large proportion (€26 million) of this amount is attributable to loans and receivables, while €6 million is attributable to assets at fair value through profit or loss and €1 million to available-for-sale financial assets.

Compared with the market rates of interest prevailing at 31 December 2009 for comparable non-current financial assets, most of the housing promotion loans are low-interest or interest-free loans. They are recognised in the balance sheet at a present value of €21 million (previous year: €19 million). The principal amount of these loans totals €23 million (previous year: €24 million).

Details on restraints on disposal are contained in Note 50 (Collateral).

31 Other non-current assets

€m	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Pension assets	247	262	288
Miscellaneous	122	108	60
Other non-current assets	**369**	**370**	**348**

1) Prior-period amount adjusted, see Note 5.

As part of the revision of the chart of accounts, the derivatives (2008: €89 million; 1 January 2008: €95 million) and the rental deposits provided (2008: €55 million; 1 January 2008: €33 million) were reclassified to non-current financial assets.

Further information on pension assets can be found in Note 44.

32 Deferred taxes

€m	2008		2009	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	98	294	57	295
Property, plant and quipment	61	38	90	32
Non-current financial assets	47	2	3	0
Other non-current assets	9	29	33	36
Other current assets	29	41	33	41
Provisions	338	245	211	14
Financial liabilities	293	1	412	97
Other liabilities	167	250	67	47
Tax loss carryforwards	58	–	142	–
Gross amount	**1,100**	**900**	**1,048**	**562**
Netting	–67	–67	–380	–380
Carrying amount	**1,033**	**833**	**668**	**182**

€85 million (previous year: €2 million) of the deferred taxes on tax loss carryforwards relates to tax loss carryforwards in Germany and €57 million (previous year: €56 million) to foreign tax loss carryforwards.

No deferred tax assets were recognised for tax loss carryforwards of around €16.6 billion (previous year: €16.3 billion) and for temporary differences of around €3,208 million (previous year: €696 million), as it can be assumed that the Group will probably not be able to use these tax loss carryforwards and temporary differences in its tax planning. Most of the loss carryforwards are attributable to Deutsche Post AG. It will be possible to utilise them for an indefinite period of time. In the case of the foreign companies, the significant loss carryforwards will not lapse before 2020.

Deferred taxes have not been recognised for temporary differences of €464 million (previous year: €386 million) relating to earnings of German and foreign subsidiaries because these temporary differences will probably not reverse in the foreseeable future.

Maturity structure

€m

	Short-term	Long-term	Total
2009			
Deferred tax assets	120	548	668
Deferred tax liabilities	30	152	182
2008			
Deferred tax assets	284	749	1,033
Deferred tax liabilities	488	345	833

33 Inventories

Standard costs for inventories of postage stamps and spare parts in freight centres amounted to €13 million (previous year: €12 million). There was no requirement to charge significant valuation allowances on these inventories.

Inventories

€m

	2008	2009
Finished goods and goods purchased and held for resale	57	47
Spare parts for aircraft	6	7
Raw materials, consumables and supplies	187	156
Work in progress	17	15
Advance payments	2	1
Inventories	**269**	**226**

34 Income tax assets and liabilities

€m

	2008	2009
Income tax assets	191	196
Income tax liabilities	351	292

All income tax assets and liabilities are current and have maturities of less than one year.

35 Receivables and other current assets

Following the revision of the chart of accounts, the derivatives (2008: €475 million; 1 January 2008: €52 million), lease receivables (2008: €25 million; 1 January 2008: €17 million), other financial assets (2008: €124 million; 1 January 2008: €39 million) and rental deposits (2008: €10 million; 1 January 2008: €22 million) previously accounted for under this item were reclassified into current financial assets.

€m	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Trade receivables	6,377	5,591	4,881
Prepaid expenses	1,038	676	620
Deferred revenue	558	462	472
Current tax receivables	461	450	386
Income from cost absorption	83	71	65
Creditors with debit balances	63	51	52
Receivables from sales of assets	196	56	44
Receivables from Group companies	53	34	28
Receivables from employees	30	28	26
Receivables from loss compensation (recourse claims)	19	17	19
Receivables from cash-on-delivery	18	15	18
Receivables from insurance business	32	37	15
Receivables from private postal agencies	7	13	9
Miscellaneous other assets	741	580	522
Receivables and other current assets	**9,676**	**8,081**	**7,157**

1) Prior-period amount adjusted, see Note 5.

Of the tax receivables, €307 million (previous year: €341 million) relates to VAT, €34 million (previous year: €43 million) to customs and duties and €45 million (previous year: €66 million) to other tax receivables. Miscellaneous other assets include a large number of individual items.

36 Current financial assets

Following the revision of the chart of accounts, the derivatives (2008: €475 million; 1 January 2008: €52 million), lease receivables (2008: €25 million; 1 January 2008: €17 million), other financial assets (2008: €124 million; 1 January 2008: €39 million) and rental deposits (2008: €10 million; 1 January 2008: €22 million; recognised in loans and receivables), which were all previously accounted for under receivables and other current assets were reclassified into current financial assets.

Current financial assets

€m	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Available-for-sale financial assets	20	13	1,618
Loans and receivables	73	45	90
Held-to-maturity financial assets	1	1	1
Financial asset recognised at fair value through profit or loss	52	475	31
Lease receivables	17	25	48
Other	39	125	106
Current financial assets	**202**	**684**	**1,894**

1) Prior-period amount adjusted, see Note 5.

Of the available-for-sale financial assets, €1,605 million were measured at fair value. The Group received cash flows from the sale of Deutsche Bank shares which were invested on the capital market (category: available-for-sale financial assets).

Details on restraints on disposal are contained in Note 50.

37 Cash and cash equivalents

€m	2008	2009
Cash	20	19
Money in transit	346	313
Bank balances	658	612
Cash equivalents	56	1,982
Other cash and cash equivalents	270	138
Cash and cash equivalents	**1,350**	**3,064**

38 Assets held for sale and liabilities associated with assets held for sale

The amounts recognised in these accounts mainly relate to the following items:

€m	Assets		Liabilities	
	2008	2009	2008	2009
DHL Express France SAS, France – Day Definite Domestic business	0	70	0	98
DHL Express UK, UK – Day Definite Domestic business	0	51	0	51
Deutsche Post AG – real estate	31	18	0	0
DHL Supply Chain, Spain – buildings	15	16	0	0
DHL Network Operations, USA – aircraft	2	12	0	0
Astar AirCargo Inc., USA – aircraft	0	5	0	0
Deutsche Postbank Group	231,824	0	227,736	0
Other	0	7	0	1
Assets held for sale and liabilities associated with assets held for sale	**231,872**	**179**	**227,736**	**150**

DHL Express France intends to dispose of its Day Definite Domestic business. The financial investor Caravelle is a potential buyer. The assets and liabilities were reclassified into assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5.

DHL Express France: Day Definite Domestic business

€m	31 Dec. 2009
ASSETS	
Non-current financial assets	2
Receivables and other current assets	62
Cash and cash equivalents	6
Total ASSETS	**70**
EQUITY AND LIABILITIES	
Non-current provisions	8
Current provisions	14
Current financial liabilities	6
Current liabilities	70
Total EQUITY AND LIABILITIES	**98**

In addition, DHL Express UK sold its Day Definite Domestic business to Home Delivery Network (HDN), a British delivery and collection service. The sale was still subject to the cartel authorities' approval as at the balance sheet date. The agreement is restricted to the Day Definite Domestic business of DHL Express. In the UK, DHL Express will focus in the future solely on international and domestic Time Definite and Same Day express deliveries. The assets and liabilities are recognised as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5.

DHL Express UK: Day Definite Domestic business

€m	31 Dec. 2009
ASSETS	
Inventories	1
Receivables and other current assets	50
Total ASSETS	**51**
EQUITY AND LIABILITIES	
Non-current provisions	6
Current provisions	11
Current liabilities	34
Total EQUITY AND LIABILITIES	**51**

The following table shows income and expense attributable to DHL Express UK in equity:

Cumulative income and expense recognised in equity

€m	Equity attributable to Deutsche Post AG shareholders	Minority interest	Total equity
2009			
Currency translation reserve	14	0	14

The most recent measurement of non-current assets before reclassification into current assets in accordance with IFRS 5 resulted in an impairment loss of €32 million each at DHL Express UK and DHL Express France. After the reclassification further adjustments to the fair value less costs to sell were made at DHL Express UK in the amount of €16 million.

As part of restructuring the US express business and due to contractual agreements and the cancellation of an operating lease, aircraft used by ABX Air were acquired by DHL Network Operations, USA and are now available for sale.

The reorganisation of the US express business and the effects of the recession created excess capacities at Astar AirCargo. It is therefore planned to sell aircraft for €5 million.

As at 31 December 2008 and until 28 February 2009, the amounts of Deutsche Postbank Group were recognised as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5.

Deutsche Postbank Group

€m	31 Dec. 2008
ASSETS	
Intangible assets	1,400
Property, plant and equipment	900
Investment property	73
Non-current financial assets	111
Deferred tax assets	557
Income tax assets	162
Current receivables and other current assets	810
Receivables and other securities from financial services	224,394
Cash and cash equivalents	3,417
Total ASSETS	**231,824**
EQUITY AND LIABILITIES	
Non-current provisions	2,111
Non-current financial liabilities	5,431
Deferred tax liabilities	831
Current provisions	30
Income tax provisions	186
Current financial liabilities	310
Current liabilities	960
Liabilities from financial services	217,877
Total EQUITY AND LIABILITIES	**227,736**

Deutsche Postbank Group was deconsolidated as at 28 February 2009 due to the sale of 22.9% of shares and the associated loss of control. Since 1 March 2009, the remaining 39.5% of the shares in Deutsche Postbank Group have been recognised as an investment in associates and measured using the equity method. The following table shows cumulative income and expense attributable to Deutsche Postbank Group, recognised in equity:

Cumulative income and expense recognised in equity

€m	Equity attributable to Deutsche Post AG shareholders	Minority interest	Total equity
2008			
IAS 39 revaluation reserve	–259	–263	–522
Currency translation reserve	–76	–55	–131
	–335	**–318**	**–653**

39 Issued capital

39.1 Share capital

KfW Bankengruppe (KfW), see Note 55.1, formerly Kreditanstalt für Wiederaufbau, owns approximately 30.5% of the share capital of Deutsche Post AG. The percentage of free-floating shares amounts to 69.5%.

Share ownership as at 31 December

Number of shares	2008	2009
KfW	368,277,358	368,277,358
Free float	840,738,516	840,738,516
Share capital as at 31 December	**1,209,015,874**	**1,209,015,874**

39.2 Issued capital

The issued capital did not change in the year ended on 31 December 2008 and amounts to €1,209 million. It is composed of 1,209,015,874 no-par value registered shares (ordinary shares), with each individual share having a notional interest of €1 in the share capital; it is fully paid up.

Development of Issued capital

€	2008	2009
As at 1 January	1,207,470,598	1,209,015,874
Exercise of options from 2004 SOP tranche - contingent capital	1,545,276	0
As at 31 December	**1,209,015,874**	**1,209,015,874**

Authorised/Contingent capital as at 31 December 2009

	Amount (€m)	Purpose
Authorised Capital 2009	240	To increase share capital against cash/non-cash contributions (until 20 April 2014)
Contingent capital	56	Exercise of option/conversion rights

39.3 Authorisation to acquire own shares

By way of a resolution adopted by the Annual General Meeting on 21 April 2009, the company is authorised to acquire, until 30 September 2010, own shares amounting to up to a total of 10% of the share capital existing at the date the resolution was adopted. The authorisation permits the Board of Management to exercise it for every purpose authorised by law, particularly to pursue the goals mentioned in the resolution of the Annual General Meeting. Deutsche Post AG did not hold any own shares on 31 December 2009.

39.4 Disclosures on corporate capital

The equity ratio stood at 23.8% in financial year 2009 (previous year: 23.8% based on “Postbank at Equity”). Corporate capital is controlled by the net gearing ratio which is defined as net debt divided by the total of equity and net debt. The ratio in 2009 was –25.7% (previous year: 23.7%).

€m	2008 adjusted[1]	2009
Aggregate financial liabilities	4,874	7,439
Less cash and cash equivalents	–1,350	–3,064
Less current financial assets	–684	–1,894
Less long-term deposits	–256	–120
Less long-term derivative instruments	–89	–805
Less financial liabilities to minority shareholders of Williams Lea	–29	–23
Less mandatory exchangeable bond	0	–2,670
Less cash collateral	0	–1,200
Less net effect from derivatives measurement in the context of the Postbank sale	0	647
Net debt/net liquidity	**2,466**	**–1,690**
Plus total equity	7,937	8,273
Total equity	**10,403**	**6,583**
Net gearing ratio in %	23.7	–25.7

1) Prior-period amount adjusted, see Note 5.

40 Other reserves

€m	2008	2009
Capital reserve	2,142	2,147
Revaluation reserve in accordance with IAS 39	–254	7
Hedging reserve in accordance with IAS 39	–60	–77
Revaluation reserve in accordance with IFRS 3	8	7
Currency translation reserve	–1,397	–1,215
Other reserves	**439**	**869**

40.1 Capital reserve

€m	2008	2009
Capital reserve as at 1 January	2,119	2,142
Additions	23	0
of which Share Matching Scheme	0	5
of which exercise of stock option plans	19	0
of which issuance of stock option plans	4	0
Capital reserve as at 31 December	**2,142**	**2,147**

The exercise period for the 2004 tranche of the 2003 Stock Option Plan ended on 30 June 2009. Under the plan's terms, all options and stock appreciation rights or SAR of this tranche not exercised until 30 June 2009 were forfeited. As such, no options or SAR have been outstanding under the 2003 Stock Option Plan since 1 July 2009.

A new system to grant variable remuneration components for some of the Group's executives was implemented in the reporting year, which is accounted for as an equity-settled share-based payment in accordance with IFRS 2. Accordingly, the amount of €5 million was recognised in capital reserves as at 31 December 2009. Further details can be found in Note 54.

40.2 Revaluation reserve in accordance with IAS 39

The revaluation reserve contains gains and losses from changes in the fair values of available-for-sale financial instruments that have been taken directly to equity. This reserve is reversed to income either when the assets are sold or otherwise disposed of, or if the fair value of the assets falls permanently below their cost.

€m	2008	2009
As at 1 January	–251	–254
Currency translation differences	2	–5
Unrecognised gains/losses	–484	455
Deferred taxes recognised directly in equity	29	32
Share of associates	0	130
Recognised gains/losses	450	–351
Revaluation reserve in accordance with IAS 39 as at 31 December	**–254**	**7**

The reclassifications of €351 million recognised in profit or loss and the addition to the reserve of €455 million mainly relate to the sale of Deutsche Postbank AG shares.

40.3 Hedging reserve in accordance with IAS 39

The hedging reserve is adjusted by the effective portion of a cash flow hedge. The hedging reserve is released to income when the hedged item is settled.

€m	2008	2009
As at 1 January	–97	–32
Additions	–97	–1
Disposals in balance sheet (basis adjustment)	9	4
Disposals in income statement	153	–49
Hedging reserve as at 31 December	**–32**	**–78**
Deferred taxes	–28	1
Hedging reserve as at 31 December	**–60**	**–77**

The change in the hedging reserve is mainly the result of the receipt of previously unrecognised gains and losses from hedging future operating currency transactions. Unrecognised gains of €54 million (previous year: €–148 million) were taken in the financial year from the hedging reserve and recognised in operating profit in other operating income; unrecognised losses of €5 million (previous year: €–5 million) were transferred to net finance cost/net financial income. Another €4 million (previous year: €9 million) relate to recognised losses from hedging transactions to acquire non-current non-financial assets. The losses were attributed to the cost of the assets. Deferred taxes on fair values also affected the hedging reserve.

40.4 Revaluation reserve in accordance with IFRS 3

€m	2008	2009
As at 1 January	0	8
Changes not recognised in income	8	–1
Revaluation reserve in accordance with IFRS 3 as at 31 December	**8**	**7**

The revaluation reserve in accordance with IFRS 3 includes the hidden reserves of DHL Logistics Co. Ltd., China (former Exel Sinotrans Freight Forwarding Co. Ltd.) from the purchase price allocation. They relate to the customer relationships included in the previous 50% interest and to adjustments to deferred taxes.

40.5 Currency translation reserve

The currency translation reserve includes the translation gains and losses generated when consolidating subsidiaries reporting in foreign currency.

€m	2008	2009
As at 1 January	–897	–1,397
Changes recognised in income	0	31
Changes not recognised in income	–500	151
Currency translation reserve as at 31 December	**–1,397**	**–1,215**

41 Retained earnings

Retained earnings contain the undistributed consolidated profits generated in prior periods. Changes in the reserves during the financial year are also presented in the statement of changes in equity.

€m	2008	2009
As at 1 January	8,953	6,178
Dividend payment	–1,087	–725
Consolidated net profit or loss for the period	–1,688	644
Miscellaneous other changes	0	1
Retained earnings as at 31 December	**6,178**	**6,098**

42 Equity attributable to Deutsche Post AG shareholders

The equity attributable to Deutsche Post AG shareholders in financial year 2009 amounted to €8,176 million (previous year: €7,826 million).

Dividends

Dividends paid to the shareholders of Deutsche Post AG are based on the unappropriated surplus of €881 million reported in the annual financial statements of Deutsche Post AG prepared in accordance with the German Commercial Code. The amount of €156 million remaining after deduction of the planned total dividend of €725 million (which is €0.60 per share) will be carried forward.

In financial year 2009 a dividend of €725 million was paid for 2008. In the previous year, dividend payments for 2007 amounted to €1,087 million. This was a dividend per share of €0.60 for 2008, and of €0.90 for 2007. The dividend is tax-exempt for shareholders resident in Germany. No capital gains tax (investment income tax) will be withheld on the distribution.

43 Minority interest

Minority interest includes adjustments for the interests of non-Group shareholders in the consolidated equity from acquisition accounting, as well as their interests in profit or loss. The interests relate primarily to the following companies:

€m	2008	2009
Deutsche Postbank Group	1,914	0
DHL Sinotrans International Air Courier Ltd., China	67	53
Other companies	45	44
Minority interest	**2,026**	**97**

44 Provisions for pensions and other employee benefits

The information below on pension obligations is broken down into the following areas: Germany, UK, Other and the Deutsche Postbank Group. Since March 2009, the Deutsche Postbank Group has been included as an associate. Its amounts were reclassified as at 31 December 2008 in accordance with IFRS 5 and were excluded from the disclosures on pension obligations in 2009.

44.1 Pension provisions and other employee benefits by area

€m	Germany	UK	Other	Deutsche Postbank Group	Total
31 December 2009					
Provisions for pensions and other employee benefits	4,204	187	183	–	4,574
Pension assets	0	128	160	–	288
Net pension provisions	**4,204**	**59**	**23**	**–**	**4,286**
31 December 2008					
Provisions for pensions and other employee benefits	4,299	183	203	1,149	5,834
Pension assets	0	–120	–142	0	–262
Net pension provisions	**4,299**	**63**	**61**	**1,149**	**5,572**
Reclassification in accordance with IFRS 5	0	0	0	–1,149	–1,149
Net pension provisions	**4,299**	**63**	**61**	**0**	**4,423**

44.2 Actuarial assumptions

The majority of the Group's defined benefit obligations relate to plans in Germany and the UK. In addition, significant pension plans are provided in other euro zone countries, Switzerland and the US. The actuarial measurement of the main benefit plans was based on the following assumptions:

%	Germany	UK	Other euro zone	Switzerland	United States
31 December 2009					
Discount rate	5.25	5.75	5.25	3.00	5.75
Future salary increase	2.50	3.84	2.63	3.00	–
Future inflation rate	2.00	2.75	2.00	1.50	–
31 December 2008					
Discount rate	5.75	6.50	5.75	2.75	6.00
Future salary increase	2.50	3.00–4.75	2.00–4.00	3.00	4.00
Future inflation rate	2.00	3.25	2.00	1.50	2.50

For the German Group companies, longevity was calculated using the *Richttafeln 2005 G* mortality tables published by Klaus Heubeck. For the British benefit plans longevity was based on the mortality rates used in the current funding valuation. These are based on mortality analyses specific to the plan and include a premium for an expected increase in future life expectancy. Other countries used their own mortality tables.

44.3 Computation of expenses for the period

The following average expected return on plan assets was used to compute the expenses for the period:

%	Germany	UK	Other euro zone	Switzerland	United States
31 December 2009					
Average expected return on plan assets	4.22	6.74	6.20	4.25	7.50
31 December 2008					
Average expected return on plan assets	3.75–4.25	4.50–7.25	5.00–7.00	4.25	7.50

The average expected return on plan assets was determined by taking into account current long-term rates of return on bonds (government and corporate). In this process, suitable risk premiums were applied on the basis of historical market returns and current market expectations taking into account plan asset structures.

44.4 Reconciliation of the present value of the obligation, the fair value of plan assets and the pension provision

€m	Germany	UK	Other	Deutsche Postbank Group	Total
2009					
Present value of defined benefit obligations at 31 December for wholly or partly funded benefits	3,879	2,996	1,368	–	8,243
Present value of defined benefit obligations at 31 December for unfunded benefits	3,251	8	162	–	3,421
Present value of total defined benefit obligations at 31 December	7,130	3,004	1,530	–	11,664
Fair value of plan assets at 31 December	–2,073	–3,060	–1,339	–	–6,472
Unrecognised gains (+)/losses (–)	–852	114	–184	–	–922
Unrecognised past service cost	–1	0	0	–	–1
Asset adjustment for asset limit	0	1	16	–	17
Net pension provisions at 31 December	**4,204**	**59**	**23**	**–**	**4,286**
Pension assets at 31 December	0	128	160	–	288
Provisions for pensions and other employee benefits at 31 December	**4,204**	**187**	**183**	**–**	**4,574**
2008					
Present value of defined benefit obligations at 31 December for wholly or partly funded benefits	3,558	2,677	1,301	660	8,196
Present value of defined benefit obligations at 31 December for unfunded benefits	3,123	7	187	733	4,050
Present value of total defined benefit obligations at 31 December	6,681	2,684	1,488	1,393	12,246
Fair value of plan assets at 31 December	–1,992	–2,594	–1,257	–392	–6,235
Unrecognised gains (+)/losses (–)	–388	–28	–171	148	–439
Unrecognised past service cost	–2	0	0	0	–2
Asset adjustment for asset limit	0	1	1	0	2
Net pension provisions at 31 December	**4,299**	**63**	**61**	**1,149**	**5,572**
Pension assets at 31 December	0	120	142	0	262
Provisions for pensions and other employee benefits at 31 December	**4,299**	**183**	**203**	**1,149**	**5,834**
Reclassification in accordance with IFRS 5	0	0	0	–1,149	–1,149
Provisions for pensions and other employee benefits at 31 December	**4,299**	**183**	**203**	**0**	**4,685**

44.5 Changes in the present value of total defined benefit obligations

€m	Germany	UK	Other	Deutsche Postbank Group	Total
2009					
Present value of defined benefit obligations at 1 January	6,681	2,684	1,488	–	10,853
Current service cost, excluding employee contributions	69	40	48	–	157
Employee contributions	8	18	13	–	39
Interest cost	373	188	72	–	633
Benefit payments	–487	–161	–104	–	–752
Past service cost	16	0	1	–	17
Curtailments	0	0	–23	–	–23
Settlements	0	0	0	–	0
Transfers	–1	5	–6	–	–2
Acquisitions/divestitures	0	0	–2	–	–2
Actuarial gains (–)/losses (+)	471	–7	36	–	500
Currency translation effects	0	237	7	–	244
Present value of total defined benefit obligations at 31 December	**7,130**	**3,004**	**1,530**	**–**	**11,664**
2008					
Present value of defined benefit obligations at 1 January	6,923	3,752	1,427	1,427	13,529
Current service cost, excluding employee contributions	77	65	52	25	219
Employee contributions	14	21	13	3	51
Interest cost	366	197	70	78	711
Benefit payments	–504	–163	–74	–84	–825
Past service cost	29	–12	1	–2	16
Curtailments	0	0	–14	0	–14
Settlements	0	0	0	0	0
Transfers	19	38	–4	–1	52
Acquisitions/divestitures	0	0	–5	0	–5
Actuarial gains (–)/losses (+)	–243	–335	–15	–53	–646
Currency translation effects	0	–879	37	0	–842
Present value of total defined benefit obligations at 31 December	**6,681**	**2,684**	**1,488**	**1,393**	**12,246**
Reclassification in accordance with IFRS 5	0	0	0	–1,393	–1,393
Present value of total defined benefit obligations at 31 December	**6,681**	**2,684**	**1,488**	**0**	**10,853**

44.6 Changes in the fair value of plan assets

€m	Germany	UK	Other	Deutsche Postbank Group	Total
2009					
Fair value of plan assets at 1 January	1,992	2,594	1,257	–	5,843
Employer contributions	203	62	57	–	322
Employee contributions	0	4	13	–	17
Expected return on plan assets	76	188	71	–	335
Gains (+)/losses (–) on plan assets	9	138	27	–	174
Benefit payments	–207	–160	–90	–	–457
Transfers	0	5	1	–	6
Acquisitions	0	0	0	–	0
Settlements	0	0	0	–	0
Currency translation effects	0	229	3	–	232
Fair value of plan assets at 31 December	**2,073**	**3,060**	**1,339**	**–**	**6,472**
2008					
Fair value of plan assets at 1 January	1,914	4,048	1,418	392	7,772
Employer contributions	215	56	44	7	322
Employee contributions	0	21	13	0	34
Expected return on plan assets	74	243	82	16	415
Gains (+)/losses (–) on plan assets	–8	–760	–273	–6	–1,047
Benefit payments	–203	–162	–62	–17	–444
Transfers	0	36	0	0	36
Acquisitions	0	0	0	0	0
Settlements	0	0	–11	0	–11
Currency translation effects	0	–888	46	0	–842
Fair value of plan assets at 31 December	**1,992**	**2,594**	**1,257**	**392**	**6,235**
Reclassification in accordance with IFRS 5	0	0	0	–392	–392
Fair value of plan assets at 31 December	**1,992**	**2,594**	**1,257**	**0**	**5,843**

Following the negative returns in the previous year due to the crisis on the financial markets, all major plans generated positive returns in financial year 2009. The total return (before exchange gains) was at approximately 9% (around €510 million). Exchange gains in the British benefit plans in particular increased the plan assets expressed in euros additionally by around 4% (around €230 million). An equally large loss is, however, recognised on the benefit obligations.

The plan assets are composed of fixed-income securities (37%; previous year: 33%), equities and investment funds (29%; previous year: 28%), real estate (20%; previous year: 20%), cash and cash equivalents (11%; previous year: 11%), insurance contracts (1%; previous year: 6%) and other assets (2%; previous year: 2%). 83% (previous year: 84%) of the real estate has a fair value of €1,050 million (previous year: €1,041 million) and is owner-occupied by Deutsche Post AG.

44.7 Funded status

Until financial year 2008, the funded status is recognised with the amounts of Deutsche Postbank Group included.

€m	2005 Total	2006 Total	2007 Total	2008 Total	2009 Total
Present value of defined benefit obligations at 31 December	14,501	15,205	13,529	12,246	11,664
Fair value of plan assets at 31 December	–7,049	–7,784	–7,772	–6,235	–6,472
Funded status	**7,452**	**7,421**	**5,757**	**6,011**	**5,192**

Excluding the amounts of Deutsche Postbank Group would have resulted in a present value of defined benefit obligations of €10,853 million as at 31 December 2008, a fair value of plan assets of €5,843 million and a funded status of €5,010 million in total.

44.8 Gains and losses

Until financial year 2008, the gains and losses are recognised with the amounts of Deutsche Postbank Group included.

€m	2005 Total	2006 Total	2007 Total	2008 Total	2009 Total
Actual return on plan assets	187	448	473	–632	509
Expected return on plan assets	129	391	439	415	335
Experience gains (+)/losses (–) on plan assets	**58**	**57**	**34**	**–1,047**	**174**

Excluding the amounts of Deutsche Postbank Group would have resulted, in financial year 2008, in an actual return on plan assets of €–642 million, an expected return on plan assets of €399 million and experience gains (+)/losses (–) on plan assets of €–1,041 million.

Total actuarial gains and losses on defined benefit obligations are recognised until financial year 2008 with the amounts of Deutsche Postbank Group included.

€m	2005 Total	2006 Total	2007 Total	2008 Total	2009 Total
Experience gains (+)/losses (–) on defined benefit obligations	12	–226	116	11	61
Gains (+)/losses (–) on defined benefit obligations arising from changes in assumptions	–1,080	488	1,298	635	–561
Total actuarial gains (+)/losses (–) on defined benefit obligations	**–1,068**	**262**	**1,414**	**646**	**–500**

Excluding the amounts of Deutsche Postbank Group would have resulted, in financial year 2008, in experience gains on defined benefit obligations of €11 million, gains on defined benefit obligations of €582 million arising from changes in assumptions and €593 million of total actuarial gains on defined benefit obligations.

44.9 Changes in net pension provisions

€m	Germany	UK	Other	Deutsche Postbank Group	Total
2009					
Net pension provisions at 1 January	4,299	63	61	–	4,423
Pension expense	381	40	40	–	461
Benefit payments	–280	–1	–14	–	–295
Employer contributions	–203	–62	–57	–	–322
Employee contributions	8	14	0	–	22
Acquisitions/divestitures	0	0	–2	–	–2
Transfers	–1	0	–7	–	–8
Currency translation effects	0	5	2	–	7
Net pension provisions at 31 December	**4,204**	**59**	**23**	**–**	**4,286**
2008					
Net pension provisions at 1 January	4,383	140	76	1,143	5,742
Pension expense	399	3	57	78	537
Benefit payments	–301	–1	–12	–67	–381
Employer contributions	–215	–56	–44	–7	–322
Employee contributions	14	0	0	3	17
Acquisitions/divestitures	0	0	–5	0	–5
Transfers	19	2	–4	–1	16
Currency translation effects	0	–25	–7	0	–32
Net pension provisions at 31 December	**4,299**	**63**	**61**	**1,149**	**5,572**
Reclassification in accordance with IFRS 5	0	0	0	–1,149	–1,149
Net pension provisions at 31 December	**4,299**	**63**	**61**	**0**	**4,423**

Payments amounting to €641 million are expected with regard to net pension provisions in 2010 (€288 million of this relates to the Group's expected direct pension payments and €353 million to expected employer contributions to pension funds).

44.10 Pension expense

€m	Germany	UK	Other	Deutsche Postbank Group	Total
2009					
Current service cost, excluding employee contributions	69	40	48	–	157
Interest cost	373	188	72	–	633
Expected return on plan assets	–76	–188	–71	–	–335
Recognised past service cost	17	0	1	–	18
Recognised actuarial gains (–)/losses (+)	–2	0	–3	–	–5
Effects of curtailments	0	0	–20	–	–20
Effects of settlements	0	0	0	–	0
Effects of asset limit	0	0	13	–	13
Pension expense from continuing operations	**381**	**40**	**40**	**–**	**461**
2008					
Current service cost, excluding employee contributions	77	65	52	25	219
Interest cost	366	197	70	78	711
Expected return on plan assets	–74	–243	–82	–16	–415
Recognised past service cost	31	–12	1	–2	18
Recognised actuarial gains (–)/losses (+)	–1	–4	42	–7	30
Effects of curtailments	0	0	16	0	16
Effects of settlements	0	0	0	0	0
Effects of asset limit	0	0	–42	0	–42
Pension expense	**399**	**3**	**57**	**78**	**537**
Pension expense from discontinued operations	0	0	0	–78	–78
Pension expense from continuing operations	**399**	**3**	**57**	**0**	**459**

€163 million (previous year: €225 million, adjusted) of the entire pension expense from continuing operations were included in staff costs in 2009, €298 million (previous year: €234 million, adjusted) were included in net other finance cost/net other financial income.

45 Other provisions

€m	Non-current		Current		Total	
	2008	2009	2008	2009	2008	2009
Other employee benefits	1,006	815	276	307	1,282	1,122
Restructuring provisions	902	743	1,045	840	1,947	1,583
Technical reserves (insurance)	311	330	186	198	497	528
Postage stamps	0	0	500	500	500	500
Miscellaneous provisions	292	387	800	801	1,092	1,188
	2,511	**2,275**	**2,807**	**2,646**	**5,318**	**4,921**

45.1 Changes in other provisions

€m	Other employee benefits	Restructuring provisions	Technical reserves (insurance)	Postage stamps	Miscellaneous provisions	Total
As at 1 January 2009	1,282	1,947	497	500	1,092	5,318
Changes in consolidated group	–6	–8	0	0	–8	–22
Utilisation	–626	–1,091	–95	–500	–758	–3,070
Currency translation differences	1	7	7	0	25	40
Reversal	–241	–474	0	0	–60	–775
Interest cost added back	62	45	22	0	12	141
Reclassification	3	–35	0	0	32	0
Additions	647	1,192	97	500	853	3,289
As at 31 December 2009	**1,122**	**1,583**	**528**	**500**	**1,188**	**4,921**

The provision for other employee benefits primarily covers workforce reduction expenses (severance payments, transitional benefits, partial retirement etc.).

The restructuring provisions comprise all expenses resulting from the restructuring measures within the US express business as well as in other areas of the Group. These are measures which relate primarily to termination benefit obligations to employees (partial retirement programmes, transitional benefits) and expenses from the closure of terminals, for instance.

The technical reserves (insurance) mainly consist of outstanding loss reserves and IBNR reserves; further details can be found in Note 7.

The provision for postage stamps covers outstanding obligations to customers for letter and parcel deliveries from postage stamps sold but still unused by customers, and is based on studies by market research companies. It is measured at the nominal value of the stamps issued.

45.2 Miscellaneous provisions

€m	2008	2009
Tax provisions	328	315
Litigation costs	117	136
Risks from business activities	95	147
Postal Civil Service Health Insurance Fund	31	22
Welfare benefits for civil servants	25	22
Staff-related provisions	22	22
Miscellaneous other provisions	474	524
Miscellaneous provisions	**1,092**	**1,188**

Of the tax provisions, €218 million (previous year: €227 million) relates to VAT, €9 million (previous year: €15 million) to customs and duties and €88 million (previous year: €86 million) to other tax provisions.

Risks from business activities comprise obligations such as expected losses and warranty obligations. Miscellaneous other provisions include a large number of individual items, none of which exceeds €30 million.

45.3 Maturity structure

The maturity structure of the provisions recognised in financial year 2009 is as follows:

€m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
2009							
Other employee benefits	307	159	169	110	100	277	1,122
Restructuring provisions	840	124	62	33	41	483	1,583
Technical reserves (insurance)	198	129	81	45	33	42	528
Postage stamps	500	0	0	0	0	0	500
Miscellaneous provisions	801	114	49	54	12	158	1,188
	2,646	**526**	**361**	**242**	**186**	**960**	**4,921**

46 Financial liabilities

Following the revision of the chart of accounts, the derivatives (2008: €652 million; 1 January 2008: €157 million) formerly recognised in other liabilities, were reclassified to financial liabilities "Liabilities recognised at fair value through profit or loss"; additional financial liabilities (2008: €125 million; 1 January 2008: €186 million) were reclassified from miscellaneous other liabilities into other financial liabilities, see Notes 46.4 and 46.5. The prior-period amounts were adjusted accordingly. The financial liabilities comprise all interest-bearing obligations of the Group.

€m	Non-current			Current			Total		
	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Bonds	1,950	2,019	1,870	2	0	0	1,952	2,019	1,870
Due to banks	616	450	197	362	630	380	978	1,080	577
Finance lease liabilities	551	499	241	74	32	28	625	531	269
Liabilities to Group companies	42	121	98	23	63	28	65	184	126
Liabilities recognised at fair value through profit or loss	97	103	84	60	549	57	157	652	141
Other financial liabilities	5,582	260	4,209	1,165	148	247	6,747	408	4,456
Financial liabilities	**8,838**	**3,452**	**6,699**	**1,686**	**1,422**	**740**	**10,524**	**4,874**	**7,439**

1) Prior-period amount adjusted, see Note 5.

46.1 Bonds

The following table contains further details on the company's major bonds. The bonds issued by Deutsche Post Finance B.V. are fully guaranteed by Deutsche Post AG.

Major bonds

				2008		2009	
	Nominal coupon	Issue volume	Issuer	Carrying amount €m	Fair value €m	Carrying amount €m	Fair value €m
Bond 2002/2012	5.125%	€679 million	Deutsche Post Finance B.V.	712	710	721	723
Bond 2003/2014	4.875%	€926 million	Deutsche Post Finance B.V.	958	933	957	981

46.2 Due to banks

The following table contains the terms and conditions of significant individual contracts reported under amounts due to banks. The liabilities due to banks mentioned are fully guaranteed by Deutsche Post AG.

Terms and conditions

	Bank	Interest rate	End of term	Carrying amount 2008 €m	Carrying amount 2009 €m
Deutsche Post International B.V., Netherlands	European Investment Bank Luxembourg	4.923	12/2011	117	114
Deutsche Post International B.V., Netherlands	European Investment Bank Luxembourg	3-month floater	06/2011	40	24
Deutsche Post International B.V., Netherlands	European Investment Bank Luxembourg	5.81	02/2011	19	14
Deutsche Post AG, Germany	DZ Bank	4.565	12/2010	201	201
Deutsche Post AG, Germany	SEB AG	3.100	01/2009	249	0
Other				454	224
				1,080	**577**

46.3 Finance lease liabilities

Finance lease liabilities mainly relate to the following items:

€m	Leasing partner	Interest rate	End of term	Asset	2008	2009
DHL Aviation (Netherlands) B.V., Netherlands	Barclays Mercantile Business Financing Limited, London	3.745%	2027/2028	16 aircraft	289	34
Deutsche Post Immobilien GmbH, Germany	Lorac Investment Management SARL	6%	2016	Real estate	17	15
DHL Express (US) Inc., USA	Wachovia Financial Services; Wells Fargo	6.739%	2019/2022	Sorting system software	37	35
SCM Supply Chain Management Inc., Canada	Bank of Nova Scotia	1.35–1.55%	2012/2013	Warehouse, office equipment	51	41
Deutsche Post AG, Germany	T-Systems Enterprise Services GmbH, Germany	5%	2011	IT equipment	13	19

The liabilities of DHL Aviation were settled prematurely in financial year 2009. The leased assets are recognised in property, plant and equipment at carrying amounts of €521 million (previous year: €592 million). The difference between the carrying amounts of the assets and the liabilities results from longer economic useful lives of the assets compared with a shorter repayment period for the rental. The notional amount of the minimum lease payments totals €319 million (previous year: €869 million).

Maturity structure

€m	Present value (finance lease liabilities)		Minimum lease payments notional amount	
	2008	2009	2008	2009
Less than 1 year	32	28	34	29
1 to 5 years	137	155	168	180
More than 5 years	362	86	667	110
Total	**531**	**269**	**869**	**319**

46.4 Financial liabilities recognised at fair value through profit or loss

The amounts recognised in this account relate to the negative fair values of derivative instruments:

€m	1. Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Financial liabilities recognised at fair value through profit or loss	**157**	**652**	**141**

1) Prior-period amount adjusted, see Note 5.

Further details on the changes can be found in Note 50.

46.5 Other financial liabilities

€m		1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Mandatory exchangeable bond (with accrued interest)	Deutsche Post AG	0	0	2,670
Other liabilities related to the sale of Deutsche Postbank shares	Deutsche Post AG	0	0	1,320
Loan notes due to Exel's existing shareholders	Deutsche Post AG	126	77	61
Subordinated debt	Deutsche Postbank Group	5,603	0	0
Miscellaneous financial liabilities	Other Group companies	1,018	331	405
Other financial liabilities		**6,747**	**408**	**4,456**

1) Prior-period amount adjusted, see Note 5.

The increase in other financial liabilities mainly results from the sale of Deutsche Postbank shares. Financial liabilities consist of a mandatory exchangeable bond on 60 million Postbank shares, cash collateral on the purchase of another 26 million Postbank shares and a payment on settled hedging transactions signed to hedge Deutsche Bank shares, see Note 2.

47 Other liabilities

€m	Non-current			Current			Total		
	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Other liabilities	148	233	372	4,902	4,066	3,674	5,050	4,299	4,046

1) Prior-period amount adjusted, see Note 5.

47.1 Breakdown of other liabilities

€m	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Tax liabilities	841	672	661
Incentive bonuses	391	430	477
Compensated absences	420	440	410
Payable to employees and members of executive bodies	486	345	288
Liabilities from the sale of residential building loans, of which non-current: 281 (2008: 113; 1 January 2008: 106)	234	222	287
Deferred income, of which non-current; 41 (2008: 48; 1 January 2008: 40)	453	313	266
Wages, salaries, severance	312	244	229
Social security liabilities	223	195	159
Debtors with credit balances	71	95	105
Overtime claims	98	93	88
Other compensated absences	65	57	71
COD liabilities	78	51	47
Insurance liabilities	41	29	25
Liabilities from cheques issued	8	20	19
Accrued rentals	25	20	19
Accrued insurance premiums for damages and similar liabilities	17	18	15
Liabilities for damages, of which non-current: 0 (2008: 3; 1 January 2008: 2)	20	17	15
Other liabilities to customers	5	2	0
Settlement offered to BHW minority shareholders	39	0	0
Liabilities to Bundes-Pensions-Service für Post und Telekommunikation e.V.	4	0	0
Miscellaneous other liabilities, of which non-current: 50 (2008: 69; 1 January 2008: 0)	1,219	1,036	865
	5,050	**4,299**	**4,046**

1) Prior-period amount adjusted, see Note 5.

Following the revision of the chart of accounts, the derivatives (2008: €652 million; 1 January 2008: €157 million) and various other financial liabilities (2008: €125 million; 1 January 2008: €186 million) were reclassified from other liabilities into financial liabilities; liabilities to Group companies (2008: €36 million; 1 January 2008: €69 million) were reclassified into trade payables. The prior-period amounts were adjusted accordingly.

Of the tax liabilities, €318 million (previous year: €349 million) relates to VAT, €214 million (previous year: €199 million) to customs and duties and €129 million (previous year: €124 million) to other tax liabilities.

The liabilities from the sale of residential building loans relate to obligations of Deutsche Post AG to pay interest subsidies to borrowers to offset the deterioration in borrowing terms in conjunction with the assignment of receivables in previous years, as well as pass-through obligations from repayments of principal and interest for residential building loans sold.

Other liabilities include a large number of individual items.

47.2 Maturity structure

€m	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Less than 1 year	4,902	4,066	3,674
1 to 2 years	22	30	36
2 to 3 years	12	27	13
3 to 4 years	11	26	7
4 to 5 years	1	25	34
More than 5 years	102	125	282
Maturity structure of other liabilities	**5,050**	**4,299**	**4,046**

1) Prior-period amount adjusted, see Note 5.

There is no significant difference between the carrying amounts and the fair values of the other liabilities due to their short maturities and the marked-to-market interest rates. There is no significant interest rate risk because most of these instruments bear floating rates of interest at market rates.

48 Trade payables

Following the revision of the chart of accounts, the liabilities to Group companies (2008: €36 million; 1 January 2008: €69 million) formerly recognised in other liabilities, were reclassified into trade payables. The prior-period amounts were adjusted accordingly.

€m	1 Jan. 2008 adjusted[1]	2008 adjusted[1]	2009
Trade payables	**5,453**	**5,016**	**4,861**

1) Prior-period amount adjusted, see Note 5.

€862 million of the trade payables (previous year: €986 million) relate to Deutsche Post AG. Trade payables primarily have a maturity of less than one year. The reported carrying amount of trade payables corresponds to their fair value.

CASH FLOW DISCLOSURES

49 Cash flow disclosures

The cash flow statement of the continuing operations is prepared in accordance with IAS 7 (Cash Flow Statements) and discloses the cash flows in order to present the source and application of cash and cash equivalents. It distinguishes between cash flows from operating, investing and financing activities. Cash and cash equivalents are composed of cash, cheques and bank balances with a maturity of not more than three months, and correspond to the cash and cash equivalents reported on the balance sheet. The effects of currency translation and changes in the consolidated group are adjusted when calculating cash and cash equivalents. As Deutsche Postbank Group ceased to be part of the continuing operations, the changes in cash and cash equivalents from its different activities were recognised separately.

The transaction agreed in January on the sale of Postbank shares to Deutsche Bank was completed on 25 February 2009 as scheduled. As a result of the ensuing deconsolidation, the cash flow statement of the discontinued operations comprises only January and February of the reporting period. Since the reporting period and the prior period are therefore not comparable, we do not present further details on the cash flows relating to discontinued operations.

49.1 Net cash from operating activities

Cash flows from operating activities are calculated by adjusting net profit before taxes for net financial income/net finance costs and non-cash factors, as well as taxes paid, changes in provisions and in other non-current assets and liabilities (net cash from operating activities before changes in working capital). Adjustments for changes in working capital (excluding financial liabilities) result in net cash from or used in operating activities.

Net cash from operating activities due to continuing operations before changes in working capital amounts to €763 million, thus being significantly below the previous year's level (previous year: €2,714 million). This is mainly due to provisions utilised primarily for restructuring the US express business. The working capital reduction resulted in an overall cash inflow of €481 million. Net cash used for liabilities and other items of €344 million compares with net cash from changes in receivables and other current assets of €778 million. On balance, at €1,244 million, net cash from operating activities is by €2,118 million below the previous year's level.

Non-cash income and expense

€m	2008 adjusted[1]	2009
Expense from remeasurement of assets	271	236
Income from remeasurement of liabilities	–137	–107
Staff costs relating to stock option plan	4	0
Miscellaneous	64	–1
Other non-cash income and expense	**202**	**128**

1) Prior-period amount adjusted, see Note 5.

49.2 Net cash used in investing activities

Cash flows from investing activities mainly result from cash received from disposals of non-current assets and cash paid for investments in non-current assets. Interest and dividends received from investing activities as well as cash flows from changes in current financial assets are included as well. At €1,469 million, net cash used in investing activities exceeds the previous year's amount by €555 million. This increase is the result of last year's sale of the real estate package to Lone Star investment company leading to cash inflows of €942 million as well as of the refund of €495 million in interest from the repayment of EU state aid. There was a significant decline in cash paid to acquire non-current assets. Cash payments for property, plant and equipment and intangible assets relate among other items to the modernisation of mail centres and IT as well as to the maintenance of the global aircraft network. Large amounts were used last year particularly for the construction of the European and Asian air hubs. On balance, the change in current financial assets resulted in cash outflows of €659 million. Cash was received from the sale of Deutsche Bank shares which was invested on the capital market. Cash paid for investments in subsidiaries and other business units dropped significantly from €1,417 million in the previous year to €53 million. Cash was required in the previous year mainly for the capital increase of Deutsche Postbank AG.

The following assets and liabilities were acquired on the acquisition of companies (see also Note 2):

€m	2008	2009
Non-current assets	23	5
Current assets (excluding cash and cash equivalents)	174	9
Provisions	–1	0
Other liabilities	–305	–16

Free cash flow is a combination of net cash provided by operating activities and net cash used in investing activities. Free cash flow is considered to be an indicator of how much cash is available to the company for dividend payments or the repayment of debt. Since net cash from operating activities fell and net cash used in investing activities rose, free cash flow deteriorated dropping from €2,448 million in the previous year to €–225 million in the reporting year.

49.3 Net cash used in/from financing activities

Cash inflows from financing activities amounted to €1,681 million in the reporting year. Contributing to this development were the Deutsche Bank AG subscribing to the mandatory exchangeable bond as part of the Postbank sale and the payment of the collateral for the put option for the remaining Postbank shares, reflected in the non-current financial liabilities in the amount of €3,981 million. At €587 million, the repayment of non-current financial liabilities resulted in a slight increase in cash outflows as against 2008, whereas cash used for changes in current financial liabilities in the amount of €548 million clearly exceeded the previous year's amount by €211 million. The dividend payment to shareholders (€725 million) accounts for the largest share of cash paid for financing activities. The decline in current financial liabilities accounts for lower interest payments, which dropped by €143 million to €291 million. €2,386 million of cash was used in financing activities in the previous year.

49.4 Cash and cash equivalents

The cash inflows and outflows described above produced cash and cash equivalents due to continuing operations of €3,064 million, see Note 37. This is a significant year-on-year increase by €1,714 million. Currency translation differences of €20 million contributed to this increase.

OTHER DISCLOSURES

50 Risks and financial instruments of the Group

50.1 Risk management

The Group faces financial risks from its operating activities that may arise from changes in exchange risks, commodity prices and interest rates. The Group uses both primary and derivative financial instruments to manage these financial risks. The use of derivatives is limited to the management of primary financial risks. Any use for speculative purposes is therefore not intended under the Group's internal guidelines.

The fair values of the derivatives used may be subject to significant fluctuations depending on changes in exchange rates, interest rates or commodity prices. These fluctuations in fair value should not be assessed separately from the hedged underlying transactions, since derivatives and hedged transactions form a unity with regard to their offsetting value development.

The range of actions, responsibilities and controls necessary for using derivatives has been clearly established in the Group's internal guidelines. Suitable risk management software is used to record, assess and process financing transactions as well as to regularly assess the effectiveness of the hedging relationships. To limit counterparty risk from financial transactions, the Group only enters into transactions with prime-rated banks. Each counterparty is assigned a counterparty limit, the use of which is regularly monitored. The Group's Board of Management receives regular internal information on the existing financial risks and the hedging instruments deployed to limit them. The financial instruments used are accounted for in accordance with IAS 39.

Liquidity management

Liquidity in the Group is managed in a largely centralised system to ensure a continuous supply of cash for the Group companies. Central liquidity reserves consist of central short-term money market investments and money market funds in a total volume of €3.5 billion (previous year: €0 billion). There are also bilateral credit lines committed by banks in the amount of €2.7 billion (previous year: €3.1 billion), of which a mere €200 million had been used by the balance sheet date. In addition, the Group issued an unused commercial paper programme in the amount of €1 billion. Thus, the Group continues to have sufficient funds to finance necessary investments.

The maturity structure of primary financial liabilities to be applied within the scope of IFRS 7 based on cash flows is as follows:

Maturity structure: remaining maturities

€m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
As at 31 December 2009						
Non-current financial liabilities	87	522	5,223	118	1,010	481
Other liabilities	0	46	44	42	41	283
Non-current liabilities	**87**	**568**	**5,267**	**160**	**1,051**	**764**
Current financial liabilities	683	0	0	0	0	0
Trade payables	4,861	0	0	0	0	0
Other liabilities	236	0	0	0	0	0
Current liabilities	**5,780**	**0**	**0**	**0**	**0**	**0**
As at 31 December 2008[1]						
Non-current financial liabilities	126	543	457	906	145	2,020
Other liabilities	0	64	11	15	15	109
Non-current liabilities	**126**	**607**	**468**	**921**	**160**	**2,129**
Current financial liabilities	873	0	0	0	0	0
Trade payables	5,016	0	0	0	0	0
Other liabilities	355	0	0	0	0	0
Current liabilities	**6,244**	**0**	**0**	**0**	**0**	**0**

1) Prior-period amount adjusted, see Note 5.

The non-current liabilities "2 to 3 years" include the mandatory exchangeable bond (zero bond) of €2,568 million plus interest in financial year 2009. It was issued in February 2009 and fully subscribed to by Deutsche Bank, see Note 3. The settlement of the liability does not result in cash flows. In February 2012, Deutsche Post AG is required to transfer 60 million shares of Deutsche Postbank AG to Deutsche Bank AG. This position also includes the cash collateral of €1,161 million plus interest which was issued by Deutsche Bank AG in February 2009 as an advance paid on the written put option on another 26,417,432 Postbank shares. The exercise period for the option commences on the first working day after the exercise of the mandatory exchangeable bond and ends in February 2013. Along with the put option, there is a call option requiring Deutsche Post AG to transfer 26,417,432 shares of Deutsche Postbank AG to Deutsche Bank AG at a fixed price. The exercise period is the same as for the put option. One of the options will most likely be exercised. The transaction is performed as soon as 26,417,432 shares of Deutsche Postbank AG are transferred.

In addition, liabilities to Deutsche Bank AG are recognised in the amount of €120 million relating to transactions settled to hedge Deutsche Bank shares, see Note 2. Collateral was provided in the same amount.

The maturity structure of the derivative financial instruments based on cash flows is as follows:

Maturity structure: remaining maturities

€m	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
As at 31 December 2009						
Derivative receivables – gross settlement						
Cash outflows	–2,421	–44	–54	–20	–149	0
Cash inflows	2,474	63	66	20	180	0
Net settlement						
Cash inflows	6	0	0	0	0	0
Derivative liabilities – gross settlement						
Cash outflows	–1,733	–129	–72	–12	–8	–172
Cash inflows	1,670	104	58	9	6	158
Net settlement						
Cash outflows	–10	0	0	0	0	0
As at 31 December 2008						
Derivative receivables – gross settlement						
Cash outflows	–4,332	–111	–43	–50	–21	–153
Cash inflows	4,763	128	54	56	21	180
Net settlement						
Cash inflows	40	0	0	0	0	0
Derivative liabilities – gross settlement						
Cash outflows	–5,461	–72	–69	–47	–12	–193
Cash inflows	4,914	52	51	35	9	123
Net settlement						
Cash outflows	–13	0	0	0	0	0

Derivative financial instruments entail both rights and obligations. The contractual arrangement defines whether these rights and obligations can be offset against each other, thus resulting in a net settlement or whether both parties to the contract will have to fully perform under their obligations (gross settlement).

The options on shares of Deutsche Postbank AG signed with Deutsche Bank AG are not included in the overview, since they do not result in cash flows.

Currency risk and currency management

The Group's global activities expose it to currency risks from planned and completed transactions in foreign currencies. All currency risks are recognised and managed centrally in Corporate Treasury. For this purpose, all Group companies report their foreign-currency risks to Corporate Treasury, which calculates a net position per currency on the basis of these reports, hedging it externally, where applicable. Currency forwards, swaps and currency options are used to manage the risk. The notional amount of outstanding currency forwards and swaps was €4,502 million as at the balance sheet date (previous year: €10,531 million). The corresponding fair value was €–44 million (previous year: €–101 million). These transactions were used to hedge planned and recorded operational risks and to hedge internal and external financing and investments.

In addition, currency options with a notional amount of €275 million (previous year: €460 million) and a fair value of €1 million (previous year: €11 million) were used to hedge operational currency risks. The Group also held cross-currency swaps with a notional amount of €240 million (previous year: €269 million) and a fair value of €–11 million (previous year €–28 million) to hedge long-term foreign currency financing.

Currency risks resulting from translating assets and liabilities of foreign operations into the Group's currency (translation risk) were not hedged as at 31 December 2009.

The fair value of currency forwards was measured on the basis of discounted future cash flows, taking forward rates on the foreign exchange market into account. The currency options were measured using the Black & Scholes option pricing model. Of the unrealised gains or losses from currency derivatives that were recognised in equity as at 31 December 2009 in accordance with IAS 39, €–15 million (previous year: €77 million) is expected to be recognised in income in the course of 2010.

IFRS 7 requires a company to disclose a sensitivity analysis, showing how profit or loss and equity are affected by hypothetical changes in exchange rates at the reporting date. In this process, the hypothetical changes in exchange rates are analysed in relation to the portfolio of financial instruments not denominated in their functional currency and being of a monetary nature. It is assumed that the portfolio as at the reporting date is representative for the whole year.

Effects of hypothetical changes in exchange rates on the translation risk do not fall within the scope of IFRS 7. The following assumptions are taken as a basis for the sensitivity analysis:

Primary monetary financial instruments used by Group companies were either denominated directly in the functional currency or the currency risk was transferred to Deutsche Post AG via its in-house bank at the exchange rates Deutsche Post AG has guaranteed. Exchange-rate-induced changes have therefore no effect on profit or loss and equity of the Group companies. Some isolated Group companies are not legally entitled to participate in in-house banking. These companies hedge their currency risks from primary monetary financial instruments linked with Deutsche Post AG by using derivatives. The internal derivatives are consolidated in the Group. The risk remaining at Group level is taken into account when computing the net position.

Hypothetical changes in exchange rates affect the fair values of the external derivatives used by Deutsche Post AG with changes in fair value reported in profit or loss; they also affect the foreign currency results from the measurement at closing date of the in-house bank balances denominated in foreign currency, balances from external bank accounts as well as internal and external loans extended by Deutsche Post AG. In addition, hypothetical changes in exchange rates affect equity and the fair values of those derivatives used to hedge off-balance sheet obligations and highly probable future currency transactions – designated as cash flow hedges.

A 10% revaluation of the euro against all currencies as at 31 December 2009 would have reduced profit by €–7 million (previous year: €–1 million). These hypothetical effects on profit or loss are mainly the result of the euro's sensitivity to the Singapore dollar (€–10 million; previous year: €–15 million), the Pakistan Rupee (€–3 million; previous year: €–2 million), the Bahrein Dinar (€5 million; previous year: €3 million) and the Chinese Yuan (€5 million; previous year: €5 million). A devaluation of the euro would have approximately the opposite sensitivities.

A revaluation of the euro by 10% would have increased the hedging reserve recognised in equity by €17 million (previous year: €17 million). The hypothetical change in equity is mainly the result of the euro's sensitivity to the US Dollar (€–33 million; previous year: €–48 million), the British Pound (€12 million; previous year: €18 million) and the Japanese Yen (€10 million; previous year: €13 million). A currency devaluation would adversely affect equity in the amount of €–16 million (previous year: €–11 million).

Commodity risk

As in the previous year, most of the risks arising from commodity price fluctuations, in particular fluctuating prices for kerosene, diesel and marine diesel fuels, were passed on to customers via operating measures. In addition, a small number of commodity swaps for diesel and marine diesel fuels was used to control residual risks. The notional amount of commodity swaps was €16 million (previous year: no swaps outstanding) with a fair value of €1 million (previous year: €0 million).

IFRS 7 requires a company to disclose a sensitivity analysis, presenting the effects of hypothetical commodity price changes on profit or loss and equity. Changes in commodity prices would affect the fair value of the derivatives used to hedge commodity purchases which are highly probable in the future (cash flow hedges) and the hedging reserve in equity. Since all commodity-price derivatives are accounted for as cash flow hedges, changes to the commodity prices would not affect profit or loss.

A 10% increase by the balance sheet date in the commodity prices underlying the derivatives would have increased fair values and equity by €1 million. The corresponding decline in commodity prices would have had the opposite effect.

Interest rate risk and interest rate management

Note 46 contains an overview of the outstanding financial liabilities. The use of interest rate derivatives allows the Group to establish an adequate proportion between variable-interest and fixed-income financial instruments.

The fair value of interest rate hedging instruments was calculated on the basis of the discounted expected future cash flows, using the Group's treasury risk management system.

As at 31 December 2009 the Group had entered into interest rate swaps at a notional volume of €1,182 million (previous year: €1,197 million). The fair value of this interest rate swap position was €51 million (previous year: €–8 million). As in the previous year, there were no interest options at the reporting date.

The Group did not materially change the share of instruments with short-term interest lock-ins in the course of 2009. The proportion between notional volumes of instruments with short-term and with long-term interest rate lock-ins remained largely well balanced. The effect of interest rate changes on the Group's financial position continues to be immaterial. Not included in this consideration are fixed-income financial liabilities in connection with the Postbank sale, since these liabilities are paid with Postbank shares which does not create any interest rate risk.

A sensitivity analysis is performed to present the interest-rate risks in accordance with IFRS 7. This method is used to determine the effects hypothetical changes in market interest rates have on interest income, interest expense and on equity at the reporting date. The following assumptions are taken as a basis for the sensitivity analysis:

Primary variable interest financial instruments are subject to interest rate risks and will therefore have to be included in the sensitivity analysis. Primary variable-interest financial instruments which were transformed into fixed-interest financial instruments in a cash flow hedge are not included. Changes in market interest rates in derivative financial instruments used as a cash flow hedge affect equity by a change in fair values and must therefore be included in the sensitivity analysis. Fixed-interest financial instruments measured at amortised cost are not subject to interest rate risk.

Designated fair value hedges of interest rate exposures are not included in the sensitivity analysis, because the interest-related changes in fair value of the hedged item and the hedging transaction almost fully offset each other in profit or loss for the period. Only the variable portion of the hedging instrument affects net finance costs/net financial income and must be included in the sensitivity analysis.

Interest-rate derivatives outside the scope of a hedging relationship which would affect net finance costs/net financial income due to changes in market rates were not in the portfolio as at 31 December 2009.

If the market interest rate level as at 31 December 2009 had been 100 basis points higher, profit would have increased by €6 million (previous year: €–12 million). The change of sign from the previous year reflects the cash inflows from the Postbank sale. A market rate level 100 basis points lower would have had the opposite effect. A change in the market interest rate level by 100 basis points would affect the fair values of the interest rate derivatives recognised in equity. A rise in interest rates would have increased equity by €24 million (previous year: €38 million); a reduction would have reduced equity by €30 million (previous year: €38 million).

Market price risk

As part of the "Amendment Agreement Regarding the Acquisition of Shares in Deutsche Postbank AG", Deutsche Post AG acquired derivative financial instruments relating to the transfer of Postbank shares. These are conditional put and call options on 26,417,432 Deutsche Postbank shares and an unconditional forward sale on 60,000,000 Deutsche Postbank AG shares. Contractual partner in both cases is Deutsche Bank AG.

The put and call options were recognised at fair value through profit or loss at the conclusion of the contract. This resulted in income of €944 million recognised in net finance cost/net financial income. The put option was recognised at a fair value of €961 million, the call option was to be recognised under liabilities at €–17 million. Changes in the options' fair value are included in net finance costs/net financial income until the time they are exercised or forfeited. Had the fair value of the Postbank share been 10% lower by the balance sheet date, the fair value of the put and call options would have increased on the asset side by €61 million, net. An increase in the Postbank share would have had the opposite effect and would have resulted in a charge to net finance costs/net financial income.

The forward transaction embedded in the mandatory exchangeable bond must be separated in accordance with IAS 39 and be treated as an uncompleted transaction as it is definitely excluded from the scope of IAS 39. Since no consideration was paid upon the conclusion of the transaction, the cost of the forward transaction is zero.

Effective 1 January 2010, the IASB clarified the scope exemption in IAS 39.2 (g), with regard to the maturities for the settlement of required transactions related to the sale of shares. Forward transactions no longer fall under the exemption provided by IAS 39.2 (g) if it is clear upon the conclusion of a contract that the settlement of such transactions exceeds the time required. In the present case, the forward's term exceeds usual maturities.

Thus, effective 1 January 2010, the forward transaction must now also be recognised in profit or loss at its fair value of €1,453 million along with the options (third tranche). Changes in the fair value on the following reporting dates affect net finance costs/net financial income. This may increase the volatilities of Deutsche Post AG's and the Group's net finance costs/net financial income. Future changes in fair value of derivative financial instruments reflect the performance of the Postbank share. A positive trend of the Postbank share will adversely impact net finance costs/net financial income.

A fair value measurement of the Postbank shares still owned after deconsolidation would largely offset the effect on profit or loss from the derivative financial instruments. This is not permitted under IFRS. The remaining Postbank shares are to be recognised and measured as an equity-accounted investment until the mandatory exchangeable bond is exercised. Most of the effects from the disposal of the equity-accounted carrying amount and the measurement of the derivative financial instruments will have been offset by 25 February 2012.

Upon conclusion of the contract, the income from the transfer of the Postbank shares for tranche 2 and tranche 3 was fixed already. The gains and losses from the recognition and measurement of the derivative financial instruments reflect the fair value trend of the Postbank shares. The gain or loss on the disposal of the Postbank investment also depends on the fair value of the Postbank share, since on the investment's disposal the respective derivative financial instruments are derecognised with effect on profit or loss. If the fair value approximates the forward sales price and/or the fixed price of the options, the deconsolidation effect increases accordingly, since the values of the derivative financial instruments decrease in largely the same amount. If the fair value of the Postbank share decreases, the fair value of the derivatives increase, which may result in a loss on disposal. The effects from the measurement of derivative financial instruments would then have anticipated the income on disposal.

The remaining 26,417,432 Postbank shares (third tranche) are to be measured at fair value upon the exercise of the mandatory exchangeable bond. They are recognised in the category "Financial assets recognised at fair value through profit or loss". From that point of time, fair value changes in the shares and options are offset in net finance costs/net financial income.

Credit risk

The credit risk incurred by the Group is the risk that counterparties fail to meet their obligations arising from operating activities and from financial transactions. To minimise credit risk from financial transactions, the Group only enters into transactions with prime-rated counterparties. Given the Group's heterogeneous customer structure, there is no risk concentration. Each counterparty is assigned a counterparty limit, the use of which is regularly monitored. An impairment test is performed at the balance sheet dates to see whether, due to the individual counterparties' credit rating, an impairment loss is to be recognised for the positive fair values. This was not the case for any of the counterparties as at 31 December 2009.

Default risks are continuously monitored in the operating business. The aggregate carrying amounts of financial assets represent the maximum default risk. Trade receivables amounting to €4,881 million (previous year: €5,591 million) are due within one year. The following table gives an overview of past-due receivables:

€m	Carrying amount before impairment loss	Neither impaired nor due as at the reporting date	Past due at reporting date and not impaired						
			Less than 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	> 180 days
As at 31 December 2009									
Trade receivables	5,135	3,304	727	534	166	86	29	20	15
As at 31 December 2008									
Trade receivables	5,788	3,594	1,196	401	125	63	31	17	32

Trade receivables developed as follows:

€m	2008	2009
Gross receivables		
As at 1 January	6,595	5,788
Changes	–807	–653
As at 31 December	5,788	5,135
Valuation allowances		
As at 1 January	–218	–197
Changes	21	–57
As at 31 December	–197	–254
Carrying amount as at 31 December	**5,591**	**4,881**

All other financial instruments are neither past due nor impaired. The heterogeneous structure of the contractual partners prevents risk concentration. The miscellaneous other assets are expected to be collectible at any time.

50.2 Collateral

€289 million (previous year: €323 million) of collateral is recognised in non-current financial assets as at the balance sheet date, which, among other things, relates to the sale of Postbank shares. Deutsche Post AG is required to deposit payments from hedging transactions already settled as part of the sale of Deutsche Bank shares as collateral with Deutsche Bank AG. The collateral deposited is released upon the exercise of the mandatory exchangeable bond in February 2012. Other collateral relates to the settlement of residential building loans and existing tenancies.

€40 million are recognised in current financial assets (previous year: €10 million). The major part concerns collateral as part of QTE leases.

In addition, Deutsche Post AG pledged 86,417,432 shares of Deutsche Postbank AG to Deutsche Bank AG. The collateral for 60 million shares is released upon the exercise of the mandatory exchangeable bond; for the remaining 26,417,432 shares it is released upon the exercise of one of the options (see market price risk).

Derivative financial instruments

The following table gives an overview of the derivatives used in the Group and their fair values. Derivatives with amortising notional volumes are reported in the full amount at maturity.

Derivative financial instruments

€m							Fair values 2009 according to maturity											
	2008		2009				Assets						Liabilities					
	Notional amount	Fair value	Notional amount	Fair value of assets	Fair value of liabilities	Total fair value	Less than 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	> 5 years	Less than 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	> 5 years
Interest rate products																		
Interest rate swaps	1,197	–8	1,182	75	–24	51	0	0	49	0	26	0	0	0	0	0	0	–24
of which cash flow hedges	354	–42	340	18	–24	–6	0	0	0	0	18	0	0	0	0	0	0	–24
of which fair value hedges	843	34	842	57	0	57	0	0	49	0	8	0	0	0	0	0	0	0
of which held for trading	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,197	**–8**	**1,182**	**75**	**–24**	**51**	**0**	**0**	**49**	**0**	**26**	**0**	**0**	**0**	**0**	**0**	**0**	**–24**
Currency derivatives																		
Currency forwards	5,927	–284	2,423	9	–49	–40	9	0	0	0	0	0	–35	–9	–4	–1	0	0
of which cash flow hedges	961	27	737	3	–31	–28	3	0	0	0	0	0	–17	–9	–4	–1	0	0
of which net investment hedges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which held for trading	4,966	–311	1,686	6	–18	–12	6	0	0	0	0	0	–18	0	0	0	0	0
Currency options	460	11	275	4	–3	1	4	0	0	0	0	0	–3	0	0	0	0	0
of which cash flow hedges	460	11	275	4	–3	1	4	0	0	0	0	0	–3	0	0	0	0	0
Currency swaps	4,604	183	2,079	17	–21	–4	17	0	0	0	0	0	–19	–2	0	0	0	0
of which cash flow hedges	261	23	169	0	–4	–4	0	0	0	0	0	0	–2	–2	0	0	0	0
of which held for trading	4,343	160	1,910	17	–17	0	17	0	0	0	0	0	–17	0	0	0	0	0
Cross-currency swaps	269	–28	240	10	–21	–11	0	0	0	0	10	0	0	–7	–14	0	0	0
of which cash flow hedges	193	–9	183	10	–7	3	0	0	0	0	10	0	0	–7	0	0	0	0
of which fair value hedges	76	–19	57	0	–14	–14	0	0	0	0	0	0	0	0	–14	0	0	0
of which held for trading	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	11,260	**–118**	**5,017**	**40**	**–94**	**–54**	**30**	**0**	**0**	**0**	**10**	**0**	**–57**	**–18**	**–18**	**–1**	**0**	**0**
Transactions based on commodity prices																		
Commodity swaps	0	0	16	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0
of which cash flow hedges	0	0	16	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Transactions based on share price																		
Stock options	0	0	2,596	669	–22	647	0	0	669	0	0	0	0	0	–22	0	0	0
of which held for trading	0	0	2,596	669	–22	647	0	0	669	0	0	0	0	0	–22	0	0	0

Some of the hedging transactions entered into in 2008 for internal financing and investments were extended in 2009. As only the net positions were extended, the notional volume of the corresponding currency-related hedging transactions significantly dropped against 31 December 2008.

The put and call options on the shares of Deutsche Postbank AG are recognised in the stock option account. Due to IAS 39.2 (g) the forward was not to be recognised.

Fair value hedges

Interest rate swaps were used to hedge the fair value risk of fixed-interest euro-denominated liabilities. The fair values of these interest rate swaps amount to €57 million (previous year: €34 million). The significant increase in the fair values compared with 2008 is explained by the change in market rate levels. As at 31 December 2009, there was also a €24 million (previous year: €30 million) adjustment to the carrying amount of the underlying hedged item arising from an interest rate swap unwound in the past. The adjustment to the carrying amount is amortised over the remaining term of the liability using the effective interest method, and reduces future interest expense.

In addition, cross-currency swaps were used to hedge liabilities in foreign currency against negative changes in the market, with the liability being transformed into a variable-interest euro-denominated liability. This hedged the fair value risk of the interest and currency component. The fair value of this interest rate swap position was €–14 million as at 31 December 2009 (previous year: €–19 million).

The following table gives an overview of the gains and losses arising from the hedged items and the respective hedging transactions:

Ineffective portion of fair value hedges

€m

	2008	2009
Gains (–)/losses (+) on hedged items	56	16
Gains (–)/losses (+) on hedging transactions	–56	–17
Balance (ineffective portion)	**0**	**–1**

Cash flow hedges

The Group uses currency forwards and currency swaps to hedge the future cash flow risks from foreign currency revenue and expenses. The fair values of currency forwards and currency swaps amounted to €–7 million (previous year: €74 million). In addition, there were currency options at a fair value of €1 million (previous year: €13 million) at the reporting date for operating receivables and liabilities. The hedged items will be recognised in the income statement in 2010.

Currency forwards with a fair value of €–21 million (previous year: €–26 million) as at the reporting date were entered into to hedge the currency risk of future lease payments and annuities denominated in foreign currencies. The payments for the hedged items are made in instalments, with the final payment due in 2013.

Cash flow risks are arising for the Group from contracted aircraft purchases in connection with future payments in US dollars. These risks were hedged using forward transactions. The fair value of these cash flow hedges amounted to €–3 million as at 31 December 2009 (previous year: €3 million). The aircraft will be added in 2012. Gains or losses on hedges are offset against cost and recognised in profit or loss upon the amortisation of the asset.

Risks arising from fixed-interest foreign currency investments were hedged using synthetic cross-currency swaps, with the investments being transformed into fixed-interest euro investments. These synthetic cross-currency swaps hedge the currency risk, and their fair values at the reporting date amounted to €28 million (previous year: €15 million). The investments relate to internal Group loans which mature in 2014.

The Group is exposed to cash flow risks arising from a variable interest rate liability. These risks were hedged using an interest rate swap which offsets the interest rate risk in the hedged item. The respective cash flow hedge had a fair value of €–24 million as at 31 December 2009 (previous year: €–53 million). The hedged liability becomes due in 2037. In addition, a fixed-interest currency liability was transformed into a fixed-interest euro-denominated liability using a cross-currency swap. The fair value of the derivative was €–7 million (previous year: €–12 million).

Some of the risks from the purchase of diesel and marine diesel fuels, which cannot be passed on to customers, were hedged using commodity swaps. The fair value of these cash flow hedges amounted to €1 million as at year-end (previous year: €0 million). There were minor inefficiencies.

50.3 Additional disclosures on the financial instruments used in the Group

The Group classifies financial instruments equivalent to the respective balance sheet accounts. The following table reconciles the classes to the categories given in IAS 39 and the respective fair values:

Reconciliation of carrying amounts in the balance sheet as at 31 December 2009

€m

	Carrying amount	Carrying amount measured in accordance with IAS 39		
		Financial assets and liabilities recognised at fair value through profit or loss		Available-for-sale financial assets
		Trading	Fair value option	
ASSETS				
Non-current financial assets	1,448			
at cost	576	0	0	83
at fair value	872	669	51	67
Other non-current assets	348			
Outside IFRS 7	348	0	0	0
Receivables and other current assets	7,157			
at cost	6,012	0	0	0
Outside IFRS 7	1,145	0	0	0
Current financial assets	1,894			
at cost	258	0	0	13
at fair value	1,636	23	0	1,605
Outside IFRS 7	0	0	0	0
Cash and cash equivalents	3,064	0	0	0
Total assets	**13,911**	**692**	**51**	**1,768**
EQUITY AND LIABILITIES				
Non-current financial liabilities[1]	–6,699			
at cost	–6,615	0	0	0
at fair value	–84	–22	0	0
Outside IFRS 7	0	0	0	0
Other non-current liabilities	–372			
at cost	–281	0	0	0
Outside IFRS 7	–91	0	0	0
Current financial liabilities	–740			
at cost	–683	0	0	0
at fair value	–57	–35	0	0
Trade payables	–4,861	0	0	0
Other current liabilities	–3,674			
at cost	–236	0	0	0
Outside IFRS 7	–3,438	0	0	0
Total equity and liabilities	**–16,346**	**–57**	**0**	**0**

1) Some of the bonds included in financial liabilities were designated as a hedged item in a fair value hedge and are thus subject to a basis adjustment. Accounting is therefore neither fully at fair value nor at amortised cost.

			Other financial instruments outside the scope of IAS 39	Fair value of financial instruments under IFRS 7
Loans and receivables/Other financial liabilities	Held-to-maturity assets	Derivatives designated as hedging instruments	Finance lease receivables/Finance lease liabilities	
414	27	0	52	576
0	0	85	0	872
0	0	0	0	0
6,012	0	0	0	6,012
0	0	0	0	0
196	1	0	48	258
0	0	8	0	1,636
0	0	0	0	0
3,064	0	0	0	3,064
9,686	**28**	**93**	**100**	**–**
–6,374	0	0	–241	–6,841
0	0	–62	0	–84
0	0	0	0	0
–281	0	0	0	–281
0	0	0	0	0
–655	0	0	–28	–683
0	0	–22	0	–57
–4,861	0	0	0	–4,861
–236	0	0	0	–236
0	0	0	0	0
–12,407	**0**	**–84**	**–269**	**–**

Reconciliation of carrying amounts in the balance sheet as at 31 December 2008

€m

	Carrying amount	Carrying amount measured in accordance with IAS 39		
		Financial assets and liabilities recognised at fair value through profit or loss		Available-for-sale financial assets
		Trading	Fair value option	
ASSETS				
Non-current financial assets	718			
at cost	629	0	0	129
at fair value	89	0	38	29
Other non-current assets	370			
Outside IFRS 7	370	0	0	0
Receivables and other current assets	8,081			
at cost	5,767	0	0	0
Outside IFRS 7	2,314	0	0	0
Current financial assets	684			
at cost	199	0	0	13
at fair value	475	353	0	0
Outside IFRS 7	10	0	0	0
Cash and cash equivalents	1,350	0	0	0
Total assets	**11,203**	**353**	**38**	**171**
EQUITY AND LIABILITIES				
Non-current financial liabilities[1]	–3,452			
at cost	–3,246	0	0	0
at fair value	–103	0	0	0
Outside IFRS 7	–103	0	0	0
Other non-current liabilities	–233			
at cost	–116	0	0	0
Outside IFRS 7	–117	0	0	0
Current financial liabilities	–1,422			
at cost	–873	0	0	0
at fair value	–549	–504	0	0
Trade payables	–5,016	0	0	0
Other current liabilities	–4,066			
at cost	–355	0	0	0
Outside IFRS 7	–3,711	0	0	0
Total equity and liabilities	**–14,189**	**–504**	**0**	**0**

1) Some of the bonds included in financial liabilities were designated as a hedged item in a fair value hedge and are thus subject to a basis adjustment. Accounting is therefore neither fully at fair value nor at amortised cost.
2) Prior-period amount adjusted: in 2008, €61 million were recognised under non-current financial assets. The asset related to investments in associates. Recognised in a separate balance sheet account in these financial statements.

				Other financial instruments outside the scope of IAS 39	Fair value of financial instruments under IFRS 7
	Loans and receivables/Other financial liabilities	Held-to-maturity assets	Derivatives designated as hedging instruments	Finance lease receivables/Finance lease liabilities	
	461	10	0	0	600
	0	0	51	0	118
	0	0	0	0	0
	5,767	0	0	0	5,767
	0	0	0	0	0
	160	1	0	25	199
	0	0	122	0	475
	0	0	0	0	0
	1,350	0	0	0	1,350
	7,738	**11**	**173**	**25**	**–**
	−2,747	0	0	−499	−3,293
	0	0	−103	0	−103
	0	0	0	0	0
	−116	0	0	0	−116
	0	0	0	0	0
	−841	0	0	−32	−873
	0	0	−45	0	−549
	−5,016	0	0	0	−5,016
	−355	0	0	0	−355
	0	0	0	0	0
	−9,075	0	−148	−531	–

If there is an active market for a financial instrument (e.g. stock exchange), the fair value is expressed by the market or quoted exchange price at the balance sheet date. If no market price is available in an active market, the quoted prices in an active market of similar instruments or recognised valuation techniques are used to determine fair value. The valuation techniques used incorporate the major factors establishing a fair value for the financial instruments using valuation parameters which are derived from the market conditions as at the balance sheet date. Counterparty risk is analysed on the basis of the currently existing credit default swaps signed by the counterparties.

The fair values of other non-current receivables and financial investments held to maturity with remaining maturities of more than one year equal the present values of the payments related to the assets, taking into account the current interest rate parameters.

Most of the cash and cash equivalents, trade receivables and other receivables have short remaining maturities. Thus, their carrying amounts at the reporting date are largely equivalent to their fair values. Trade payables and other liabilities generally have short maturities; the amounts carried in the balance sheet are similar to their fair values.

Available-for-sale financial assets include shares in partnerships and corporations in the amount of €97 million (previous year €158 million). There is no active market for these instruments. Since no future cash flows can be reliably determined, the fair value cannot be determined using valuation techniques. The shares of these entities are recognised at cost. There are no plans to sell or derecognise a material number of the available-for-sale financial assets recognised as at 31 December 2009 in the near future. As in the previous year, no significant shares measured at cost were sold in the financial year. The available-for-sale financial assets measured at fair value relate to debt- and equity instruments.

The financial assets measured at fair value through profit or loss include securities to which the fair value option was applied. These are instruments not acquired for the purpose of near-term profit-making. There is an active market for these assets. The amounts are recognised at fair value.

The following table presents the methods used to determine the fair value for each class:

Financial assets and liabilities: 2009

€m

Level	1	2	3
Class	Quoted market prices	Measurement by reference to major inputs based on observable market data	Measurement by reference to major inputs not based on observable market data
Non-current financial assets at fair value	118	754	0
Current financial assets at fair value	1,605	31	0
Non-current financial liabilities at fair value	0	–84	0
Current financial liabilities at fair value	0	–57	0

As part of selling the shares of Deutsche Postbank AG, Deutsche Post AG entered into a forward transaction with Deutsche Bank AG which falls within the scope of IAS 39.2 (g) applicable as of 31 December 2009 and was therefore not accounted for at its positive fair value. The fair value of €1,453 million was determined using significant market data (Level 2).

No assets were reclassified in the financial years 2009 and 2008.

The net gains and losses from financial instruments classified in accordance with the measurement categories of IAS 39 are composed as follows:

Net gains and losses of the measurement categories

€m

	2008	2009
Loans and receivables	214	184
Held-to-maturity financial assets	0	0
Financial assets and liabilities recognised at fair value through profit or loss		
Trading	–181	–146
Fair value option	18	–10
Other financial liabilities	–26	46

The net gains and losses mainly include the effects of valuation allowances, fair-value measurement, and disposals (disposal gains/losses). Dividends and interest are not taken into account for the financial instruments recognised at fair value in profit or loss. Details of net gains or losses on the financial assets available for sale can be found in Note 40. Income and expense from interest and commission agreements of the financial instruments not measured at fair value through profit or loss are explained in the income statement disclosures.

Cumulative costs for loans and receivables include write-downs of trade receivables from Arcandor AG in the amount of €51 million.

51 Contingent liabilities

The Group's contingent liabilities total €2,310 million (previous year: €1,828 million). €63 million of the contingent liabilities relate to guarantee obligations (previous year: €84 million), €246 million to warranties (previous year: €279 million) and €114 million to liabilities from litigation risks (previous year: €87 million). The other contingent liabilities amounting to €1,887 million (previous year: €1,378 million) mainly relate to obligations from formal state aid proceedings, see also Note 53.

52 Other financial obligations

In addition to provisions, liabilities, and contingent liabilities, there are other financial obligations amounting to €6,193 million (previous year: €7,274 million) from non-cancellable operating leases as defined by IAS 17.

The Group's future non-cancellable payment obligations under leases are attributable to the following asset classes:

Lease obligations

€m

	2008	2009
Land and buildings	6,452	5,359
Technical equipment and machinery	68	106
Other equipment, operating and office equipment	49	25
Transport equipment	501	376
Aircraft	194	312
Miscellaneous	10	15
Leases	**7,274**	**6,193**

The decrease in operating leases is due to the decline in the US express business (previous year: €404 million). The increase in the aircraft item is mainly due to the fleet expansion at AeroLogic GmbH. In the previous year, €139 million of the leasing obligations related to the Deutsche Postbank Group.

Maturity structure of lease payments

€m

	2008	2009
Year 1 after reporting date	1,452	1,357
Year 2 after reporting date	1,174	1,023
Year 3 after reporting date	994	800
Year 4 after reporting date	717	600
Year 5 after reporting date	533	478
Year 6 after reporting date and thereafter	2,404	1,935
Maturity structure of minimum lease payments	**7,274**	**6,193**

The present value of discounted minimum lease payments is €4,773 million (previous year: €5,554 million), based on a discount factor of 6.00% (previous year: 6.00%) Overall, rental and lease payments of €2,370 million (previous year: €2,389 million) arose, of which €1,820 million (previous year: €1,735 million) relate to non-cancellable leases. €2,747 million (previous year: €3,006 million) of the future lease obligations from non-cancellable leases relates primarily to Deutsche Post Immobilien GmbH.

The purchase obligation for investments in non-current assets amounted to €234 million (previous year: €150 million).

53 Litigation

Due to the market-leading position of Deutsche Post AG, a large number of its services are subject to sectoral regulation under the *Postgesetz* (German postal act). The regulatory authority approves or reviews prices in particular, formulates the terms of downstream access and conducts general checks for market abuse. Any proceedings resulting therefrom may lead to a drop in revenue and earnings.

Legal risks arise from, amongst other things, appeals from a competitor against the price approvals granted under the price cap procedure for the years 2003, 2004 and 2005, and from an association against the price approvals as part of the price cap procedure for 2008. Legal risks arise also from appeals of Deutsche Post against other price approval decisions handed down by the regulatory authority.

European Commission competition proceedings were initiated on the basis of a complaint made by the *Deutsche Verband für Post und Telekommunikation* (German association for posts and telecommunications) about allegedly excessive mail prices. In these proceedings, Deutsche Post AG has presented detailed evidence to support its argument that the prices are reasonable.

Conditions determined by the regulator oblige Deutsche Post AG to allow customers and competitors downstream access to its network. Proceedings are still pending before the administrative courts against the relevant rulings by the regulatory authority. Depending on the outcome of the proceedings, the Group could be faced with further losses of revenue and earnings.

In response to a complaint from a third party, the European Commission made requests for information to the German government concerning an allegation by the *Monopolkommission* (German monopoly commission). The allegation is that Deutsche Post AG contravenes the prohibition of state aid under the EC Treaty by allowing Deutsche Postbank AG to use Deutsche Post outlets at below-market rates. In the opinion of Deutsche Post AG and Deutsche Postbank AG, this allegation is incorrect and the fee paid by Deutsche Postbank AG complies with the provisions on competition and state aid stipulated in European law. The EU Commission also asked the Federal Republic of Germany to comment on the sale of its entire interest in Deutsche Postbank AG to Deutsche Post AG in 1999. However, the EU Commission has already investigated the acquisition of Deutsche Postbank AG as part of the state aid proceedings that were concluded with the ruling dated 19 June 2002. At the time, it explicitly concluded that the acquisition of Postbank involved "no grant of state aid".

The German government has already argued before the EU Commission that the allegations are in its opinion unfounded. Nevertheless, with regard to the two allegations relating to the requests for information, no assurance can be given that the EU Commission will not find that the facts of the case constitute state aid.

On 12 September 2007, the EU Commission initiated a formal investigation against the Federal Republic of Germany concerning possible subsidies. The investigation focused on whether the Federal Republic of Germany, using state resources, overcompensated Deutsche Post AG or its legal predecessor Deutsche Bundespost POSTDIENST for the cost of providing universal services between 1989 and 2007 and whether the company was thereby granted state aid incompatible with EU law. According to the decision opening the investigation, the Commission intends to examine all public transfers, public guarantees, statutorily granted exclusive rights, the price regulation of letter services and the public funding of civil servants' pensions during the period in question. Also to be investigated is the cost allocation within Deutsche Post AG and its predecessor between the regulated letter service, the universal service and competitive services. This also relates to co-operation agreements between Deutsche Post AG and Deutsche Postbank AG as well as between Deutsche Post AG and the business parcel service marketed by DHL Vertriebs GmbH.

Deutsche Post AG and Deutsche Postbank AG hold that the new investigation lacks any factual basis. All public transfers associated with the privatisation of Deutsche Bundespost, the public guarantees and the funding of pension obligations formed part of the subject matter of the state aid proceedings closed by the decision of 19 June 2002. That decision did not identify the measures concerned as incompatible state aid. Deutsche Post AG and Deutsche Postbank AG are further of the opinion that the statutorily granted exclusive rights and the regulated letter prices do not fulfil the legal criteria to be considered a form of state aid in the first place. Deutsche Post AG also considers the internal allocation of costs with its subsidiaries to be consistent with EU state aid rules and the case law of the European Court of Justice. Nonetheless, based on an overall appraisal, the possibility of the Commission finding a case of incompatible state aid cannot be ruled out.

The Court of First Instance ruled on 1 July 2008 that the ruling of the EU Commission made on 19 June 2002, obliging Deutsche Post AG to repay state aid allegedly received, was void. As a result of the EU Commission's decision, Deutsche Post AG had to pay to the Federal Republic of Germany a total of €907 million in January 2003 (€572 million of alleged state aid plus interest), although it had immediately appealed against this decision. In accordance with the ruling of the Court of First Instance, Germany repaid this amount plus interest to Deutsche Post AG; Deutsche Post AG received the total amount of €1,067 million from Germany on 1 August 2008.

The EU Commission appealed against the decision of the Court of First Instance before the European Court of Justice. Deutsche Post AG expects the appeal to offer only little prospect of success. It cannot be ruled out, however, that the European Court of Justice allows the appeal, with the Court of First Instance having to decide the issue again. Despite the continuing litigation, the 2002 ruling of the EU Commission could possibly become effective again; the total amount received as a result of the decision by the Court of First Instance dated 1 July 2008, plus interest, would have to be paid again to the Federal Republic of Germany.

In October 2007 DHL Global Forwarding, along with all other major players in the freight forwarding industry, received a request for information from the Competition Directorate of the European Commission, a subpoena from the United States Department of Justice's Antitrust Division and information requests from competition authorities in other jurisdictions in connection with a formal investigation into the setting of surcharges and fees in the international freight forwarding industry. In January 2008, an antitrust class action law suit was initiated in the New York district court on behalf of purchasers of freight forwarder services in which Deutsche Post AG and DHL are named as defendants. This civil law suit appears to be based on the fact that anti-trust investigations are on-going, but not on any known outcome or quantified loss. Deutsche Post DHL is not able to predict or comment on the outcome of the investigations or the merits of the class action law suit, but believes its financial exposure in relation to both is limited and has not, therefore, taken any provision in its accounts.

54 Share-based remuneration

Share-based remuneration for executives (Share Matching Scheme)

A new system to grant variable remuneration components for some of the Group's executives was implemented in 2009, which is accounted for as an equity-settled share-based payment in accordance with IFRS 2. According to this system, the Group's executives concerned receive part of their variable 2009 salary in the form of shares of Deutsche Post AG in 2010 with each executive being able to increase this obligatory share component individually by converting another portion of the variable 2009 remuneration. If certain conditions are met, the executive will be awarded the same amount of Deutsche Post AG shares after four years (matching shares). Hence, the programme for the 2009 tranche will expire in 2014. The fair value of these matching shares equals the stock price of Deutsche Post AG as at the grant date (€11.48). For the grant of variable remuneration portions, €5 million were recognised in equity in the consolidated financial statements as at 31 December 2009. In 2010, this system will be applied to other Group executives as well.

Share-based remuneration system for executives (2003 Stock Option Plan)

The exercise period for the 2004 tranche of the 2003 Stock Option Plan (SOP) ended on 30 June 2009. Under the plan's terms, all options and stock appreciation rights or SAR of this tranche not exercised by 30 June 2009 were forfeited. As such, no options or SAR have been outstanding under the 2003 Stock Option Plan since 1 July 2009.

2003 Stock Option Plan

	Tranche 2004
Grant date	1 July 2004
Stock options granted	9,328,296
of which to Board of Management	841,350
of which to other senior executives	8,486,946
SAR granted[1]	1,116,374
of which to Board of Management	0
of which to other senior executives	1,116,374
Exercise price	€17.00
Lock-up expires	30 June 2007
Dividend yield Deutsche Post AG	3.05%
Dividend yield Dow Jones Euro STOXX Index	1.7%
Yield volatility of Deutsche Post AG share	28.9%
Yield volatility of Dow Jones Euro STOXX Index	14.8%
Number	
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 31 December 2009	**0**
Outstanding SAR as at 31 December 2009	**0**

1) Due to legal restrictions SAR were granted instead of stock options in some countries. Due to the fair value determined for the SAR no amounts were added to the provisions in 2009.

The SOP has been measured using investment techniques by applying option pricing models (fair value measurement). No staff costs were recognised for the options forfeited in financial year 2009 (previous year: €4 million). As in the previous year, no staff costs were recognised for SAR under this plan, either. Further details on share-based remuneration of members of the Board of Management can be found in Note 55.

2006 SAR Plan for executives

The SAR Plan supersedes the 2003 SOP, under which options could last be issued in 2005. As at 3 July 2006, selected executives received stock appreciation rights under the new plan. This gives executives the chance to receive a cash payment within a defined period in the amount of the difference between the respective price of Deutsche Post shares and the fixed issue price, if demanding performance targets were met.

Long-Term Incentive Plan (2006 LTIP) for members of the Board of Management

The 2006 LTIP supersedes the 2003 SOP, under which options could last be issued in 2005. As at 1 July 2006, the members of the Board of Management received stock appreciation rights under the new plan. Each SAR under the 2006 LTIP entitles the holder to receive a cash settlement equal to the difference between the average of closing prices of the Deutsche Post share during the last five trading days before the exercise date and the issue price of the SAR.

As in the past, the members of the Board of Management must each personally invest 10% of their annual target salary for each tranche. The number of SAR issued to the members of the Board of Management will be determined by the Supervisory Board or its Executive Committee as each tranche is issued. The other essential features of the stock option plan have been retained. For example, following a three-year lock-up period that begins on the issue date, the SAR granted until 2008 can be fully or partly exercised within a period of two years only if an absolute or relative performance target is achieved at the end of the lock-up period. Any SAR not exercised during this two-year period will be forfeited. Pursuant to the *Gesetz zur Angemessenheit der Vorstandsvergütung* (German act on the appropriateness of management board remuneration) the lock-up period for SAR issued in 2009 was extended to four years.

To determine how many – if any – of the granted SAR can be exercised, the average share price or the average index is compared for the reference period and the performance period. The reference period comprises the last 20 consecutive trading days before the issue date. The performance period is the last 60 trading days before the end of the lock-up period. The average (closing) price is calculated as the average closing price of Deutsche Post shares in Deutsche Börse AG's Xetra trading system.

The absolute performance target is met if the closing price of the Deutsche Post share is at least 10, 15, 20 or 25% above the issue price. The relative performance target is tied to the performance of the shares in relation to the Dow Jones STOXX 600 Index (SXXP, ISIN EU0009658202). It is met if the share price equals the index performance during the performance period or if it outperforms the index by at least 10%.

A maximum of four out of every six SAR can be "earned" via the absolute performance target, and a maximum of two via the relative performance target. If neither an absolute nor a relative performance target is met by the end of the lock-up period, the SAR of the related tranche will expire, and no replacement or compensation of any form will be provided. More details on the 2006 LTIP tranches are shown in the following table:

2006 LTIP

Stock options	Tranche 2006	Tranche 2007	Tranche 2008	Tranche 2009
Grant date	1 July 2006	1 July 2007	1 July 2008	1 July 2009
Issue price	€20.70	€24.02	€18.40	€9.52
Lock-up expires	30 June 2009	30 June 2010	30 June 2011	30 June 2013

The fair value of the 2006 SAR Plan and the Long Term Incentive Plan for members of the Board of Management (2006 LTIP) was determined using a stochastic simulation model. As a result, an expense of €2 million had to be recognised for financial year 2009 (previous year: €0 million). For further disclosures on share based remuneration of members of the Board of Management see Note 55.2.

For the 2006 LTIP and the 2006 SAR Plan (Board of Management and executives) a provision was recognised as at the balance sheet date in the amount of €16 million (previous year: €9 million).

55 Related-party disclosures

55.1 Related-party disclosures (companies and Federal Republic of Germany)

All companies classified as related parties that are controlled by the Group or on which the Group can exercise significant influence are recorded in the list of shareholdings together with information on the equity interest held, their equity and their net profit or loss for the period, broken down by geographical areas.

Deutsche Post AG maintains a variety of relationships with the Federal Republic of Germany and other companies controlled by the Federal Republic of Germany.

The federal government is a customer of Deutsche Post AG and as such uses the company's services. Deutsche Post AG's business relationships are entered into with the individual public authorities and other government agencies as independent individual customers. The services provided to the respective individual customers are immaterial to the overall revenue of Deutsche Post AG.

Relationships with KfW Bankengruppe

KfW Bankengruppe (KfW) supports the federal government in continuing to privatise companies such as Deutsche Post AG or Deutsche Telekom AG. In 1997, KfW, together with the federal government, developed a "placeholder model" as a tool to privatise government-owned companies. Under this model, the government sells all or part of its investments to KfW intending to fully privatise these state-owned companies. On this basis, KfW has purchased shares of Deutsche Post AG several times since 1997 from the federal government and carried out various transactions on the capital markets with these shares. KfW's current share in the share capital of Deutsche PostAG is 30.5%.

Relationships with the *Bundesanstalt für Post und Telekommunikation*

The Federal Republic of Germany manages its interest in Deutsche Post AG and exercises its shareholder rights via the *Bundesanstalt für Post und Telekommunikation* ("Bundesanstalt") which has legal capacity and falls under the supervision of the German Federal Ministry of Finance. The *Gesetz über die Errichtung einer Bundesanstalt für Post und Telekommunikation* or *Bundesanstalt Post Gesetz* (BAnstG – German act to establish a Deutsche Bundespost Federal Posts and Telecommunications Agency or Federal Posts and Telecommunications Agency act) transferred specific legal rights and duties to the Bundesanstalt that relate to matters jointly affecting Deutsche Post AG, Deutsche Postbank AG and Deutsche Telekom AG. In addition, the Bundesanstalt manages the Postal Civil Service Health Insurance Fund, the recreation programme, the *Versorgungsanstalt der Deutsche Bundespost* ("VAP") and the welfare service for Deutsche Post AG, Deutsche Postbank AG, Deutsche Telekom AG and the Bundesanstalt. The co-ordination and administration tasks are performed on the basis of agency agreements. In 2009, Deutsche Post AG was invoiced for €68 million (previous year: €64 million) in instalment payments relating to services provided by the Bundesanstalt.

Relationships with the German Federal Ministry of Finance

In financial year 2001, the German Federal Ministry of Finance and Deutsche Post AG entered into an agreement that governs the terms and conditions of the transfer of income received by Deutsche Post AG from the levying of the settlement payment under the *Gesetze über den Abbau der Fehlsubventionierung im Wohnungswesen* (German acts on the reduction of misdirected housing subsidies) relating to housing benefits granted by Deutsche Post. In financial year 2009 Deutsche Post AG paid to the federal government the aggregate amount of approximately €0.1 million for financial year 2008 and €0.61 million for financial year 2009. As agreed, the final settlement for financial year 2009 will be made by 1 July 2010.

Deutsche Post AG also entered into an agreement with the Federal Ministry of Finance dated 30 January 2004 relating to the transfer of civil servants to German federal authorities. Under this agreement, civil servants are seconded with the aim of transferring them initially for six months, and are then transferred permanently if they successfully complete their probation. Once a permanent transfer is completed, Deutsche Post AG contributes to the cost incurred by the federal government by paying a flat fee. In 2009, this initiative resulted in eight permanent transfers (previous year: 6) and 18 secondments with the aim of a permanent transfer in 2010 (previous year: 2).

Relationships with Deutsche Telekom AG and its subsidiaries

The federal government holds directly and indirectly (via KfW Bankengruppe) 31.70% of the shares in Deutsche Telekom AG (as at 31 December 2009). Since the federal government, despite its minority interest, has a solid majority in the Annual General Meeting due to its average presence there, a dependent relationship exists between Deutsche Telekom and the federal government. Therefore, Deutsche Telekom is a related party to Deutsche Post AG. In financial year 2009, the Group provided goods and services for Deutsche Telekom AG amounting to €0.31 billion (previous year: €0.35 billion). These were mainly transportation services for letters and parcels. In the same period, the Group purchased goods and services (including IT products and services) worth €0.4 billion (previous year: €0.4 billion) from Deutsche Telekom.

Relationships with Commerzbank AG

Due to the federal government's stock investment of 25% plus one share, Commerzbank AG is a related party. Commerzbank AG and Deutsche Post AG have signed a loan facility of €200 million which had not been used by the reporting date.

Bundes-Pensions-Service für Post und Telekommunikation e.V.

Information on the Bundes-Pensions-Service für Post- und Telekommunikation e.V. can be found in Note 7.

Relationship with pension funds

The real estate, with a fair value of €1,050 million (previous year: €1,041 million), of which Deutsche Post Betriebsrenten Service e.V. (DPRS) and/or Deutsche Post Pensions-Treuhand GmbH & Co. KG, Deutsche Post Betriebsrenten-Service e.V. & Co. Objekt Gronau KG and Deutsche Post Grundstücks Vermietungsgesellschaft beta mbH Objekt Leipzig KG are the legal or beneficial owners, is exclusively let to Deutsche Post Immobilien GmbH. Rental expense for Deutsche Post Immobilien GmbH amounted to €66 million in 2009 (previous year: €58 million). The rent was always paid on time. Deutsche Post Pensions-Treuhand GmbH & Co. KG owns 100% of the Deutsche Post Pensionsfonds AG established at the end of 2009. No receivables or liabilities were due as at 31 December 2009. There were no sales relationships between external authorities and a Group company of Deutsche Post AG in 2009.

Relationships with unconsolidated companies and associates

In addition to the consolidated subsidiaries, the Group has direct and indirect relationships with a large number of unconsolidated subsidiaries and associates deemed to be related parties to the Group, in the course of its ordinary business activities. In the course of these activities, all transactions for the provision of goods and services entered into with unconsolidated companies were conducted on an arm's length basis at standard market terms and conditions. Transactions were conducted in financial year 2009 with major related parties, resulting in the following items in the consolidated financial statements:

€m	2008	2009
Receivables	4	25
Loans	12	15
Receivables from in-house banking	2	3
Financial liabilities	–45	–46
Liabilities	–3	–10
Liabilities from in-house banking	–9	–3

55.2 Related-party disclosures (individuals)

In accordance with IAS 24, the Group also reports on transactions between the Group and related parties or members of their families. Related parties are defined as the Board of Management, Supervisory Board, heads of corporate departments or business departments (second-level executives) and the members of their families.

There were no reportable transactions between members of the Board of Management and their families and the Group in financial year 2009. In some cases, members of the Supervisory Board were involved in legal transactions with Deutsche Post AG. These primarily involved services rendered in a volume of €1 million. In one case, a second-level executive and/or family members maintained business relations with Deutsche Post AG which ended, however, in financial year 2008. The payment was made in 2009. The volume of these transactions was below €0.5 million.

The remuneration of key management personnel of the Group requiring disclosure under IAS 24 comprises the remuneration of the active Board of Management and Supervisory Board members. The active members of the Board of Management and the Supervisory Board were remunerated as follows:

€m	2008	2009
Short-term employee benefits (less share-based remuneration)	13	16
Post-employment benefits	2	2
Termination benefits	0	4
Share-based remuneration	1	2
Total	**16**	**24**

The post-employment benefits are recognised as the service cost resulting from the pension provisions for active members of the Board of Management.

The share-based remuneration amount relates to the share-based remuneration expense recognised in financial years 2008 and 2009. It is itemised in the following table:

Share-based remuneration

thousands of €	2008			2009		
	Stock options	SAR	Total	Stock options	SAR	Total
Dr Frank Appel, Chairman	43	167	210	0	421	421
Ken Allen (since 26 February 2009)	–	–	–	–	177	177
Bruce Edwards	0	73	73	0	276	276
Jürgen Gerdes	11	96	107	0	280	280
Lawrence Rosen (since 1 September 2009)	–	–	–	–	177	177
Walter Scheurle	43	131	174	0	284	284
Hermann Ude	11	73	84	0	276	276
John Allan (until 30 June 2009)	0	84	84	0	101	101
John Mullen (until 24 February 2009)	43	131	174	0	0	0
Dr Wolfgang Klein (until 9 November 2008)	0	0	0	–	–	–
Dr Klaus Zumwinkel (until 17 February 2008)	9	11	20	–	–	–
Share-based remuneration	**160**	**766**	**926**	**0**	**1,992**	**1,992**

Further details on the share-based remuneration of the Board of Management in financial years 2008 and 2009 are presented in the following tables:

Share-based remuneration of Board of Management members 2009

number	Dr Frank Appel	Ken Allen	Bruce Edwards	Jürgen Gerdes	Lawrence Rosen	Walter Scheurle	Hermann Ude	John Mullen[1]	John Allan[2]
SOP									
Outstanding stock options as at 1 January 2009	65,988	0	0	17,272	0	25,988	16,316	17,272	0
Stock options granted	0	0	0	0	0	0	0	0	0
Stock options lapsed	65,988	0	0	17,272	0	25,988	16,316	17,272	0
Stock options exercised	0	0	0	0	0	0	0	0	0
Outstanding stock options as at 31 December 2009	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Exercisable stock options as at 31 December 2009	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Weighted average settlement price in €	Not exercised								
Weighted average exercise price in €	Not exercised								
Weighted average term to maturity in years									0
SAR									
Outstanding SAR as at 1 January 2009	775,000	176,244	400,508	474,172	0	660,000	337,262	660,000	285,000
SAR granted	360,000	240,000	240,000	240,000	240,000	240,000	240,000	0	0
SAR lapsed	210,000	45,348	116,946	95,466	0	210,000	53,700	660,000	0
SAR exercised	0	0	0	0	0	0	0	0	0
Outstanding SAR as at 31 December 2009	**925,000**	**370,896**	**523,562**	**618,706**	**240,000**	**690,000**	**523,562**	**0**	**285,000**
Exercisable SAR as at 31 December 2009	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Weighted average settlement price in €	Not exercised								
Weighted average exercise price in €	Not exercised								
Weighted average term to maturity in years	2.04	2.67	2.31	2.03	3.50	1.87	2.31	0	1.30

1) Until 24 February 2009. 2) Until 30 June 2009.

Share-based remuneration of Board of Management members 2008

number	Dr Frank Appel	John Allan	Bruce Edwards	Jürgen Gerdes	Dr Wolfgang Klein[1]	John Mullen	Walter Scheurle	Hermann Ude	Dr Klaus Zumwinkel[2]
SOP									
Outstanding stock options as at 1 January 2008	163,560	0	0	42,814	17,272	114,844	138,560	40,376	245,342
Stock options granted	0	0	0	0	0	0	0	0	0
Stock options lapsed	97,572	0	0	25,542	0	97,572	97,572	24,060	146,358
Stock options exercised	0	0	0	0	17,272	0	15,000	0	0
Outstanding stock options as at 31 December 2008	65,988	0	0	17,272	0	17,272	25,988	16,316	98,984
Exercisable stock options as at 31 December 2008	65,988	0	0	17,272	0	17,272	25,988	16,316	98,984
Weighted average settlement price in €	Not exercised	Not exercised	Not exercised	Not exercised	22.68	Not exercised	23.33	Not exercised	Not exercised
Weighted average exercise price in €	Not exercised	Not exercised	Not exercised	Not exercised	17.00	Not exercised	17.00	Not exercised	Not exercised
Weighted average term to maturity in years	0.5			0.5		0.5	0.5	0.5	0.5
SAR									
Outstanding SAR as at 1 January 2008	430,000	55,000	170,508	244,172	0	430,000	430,000	107,262	645,000
SAR granted	345,000	230,000	230,000	230,000	0	230,000	230,000	230,000	0
SAR lapsed	0	0	0	0	0	0	0	0	0
SAR exercised	0	0	0	0	0	0	0	0	0
Outstanding SAR as at 31 December 2008	775,000	285,000	400,508	474,172	0	660,000	660,000	337,262	645,000
Exercisable SAR as at 31 December 2008	0	0	0	0	0	0	0	0	0
Weighted average settlement price in €	All SAR granted are still in their lock-up period								
Weighted average exercise price in €	All SAR granted are still in their lock-up period								
Weighted average term to maturity in years	1.67	2.30	1.78	1.78	n/a	1.53	1.53	2.02	1.01

1) Until 9 November 2008.
2) Until 17 February 2008.

Board of Management remuneration

The total remuneration paid to the active members of the Board of Management in financial year 2009 including the components with long-term incentive effect totalled €22.2 million (previous year: €16.7 million). Of this amount, €9.8 million (previous year: €9.0 million) relates to components not linked to performance (fixed salary and fringe benefits), €5.1 million (previous year: €2.9 million) to performance-linked components (variables) and €7.3 million (previous year: €4.8 million) to components with long-term incentive effect (stock appreciation rights or SAR). The SAR amounted to a number of 1,800,000 (previous year: 1,725,000).

Former members of the Board of Management

The remuneration of former members of the Board of Management or their surviving dependants amounted to €8.1 million in the year under review (previous year: €43.1 million). The defined benefit obligations (DBO) for current pensions calculated under IFRS amounted to €26.1 million (previous year: €25.3 million).

Remuneration of the Supervisory Board

The total remuneration of the Supervisory Board in financial year 2009 amounted to approximately €0.7 million (previous year: €0.8 million); €0.6 million of this amount was attributable to a fixed component (previous year: €0.6 million), €0 million to performance-related remuneration (previous year: €0 million) and €0.1 million to attendance allowances (€0.2 million).

Further information on the itemised remuneration of the Board of Management and the Supervisory Board can be found in the Corporate Governance Report. The Remuneration Report contained in the Corporate Governance Report also forms part of the Group management report.

Shareholdings of the Board of Management and Supervisory Board

Effective 31 December 2009, shares held by the Board of Management and the Supervisory Board of Deutsche Post AG amounted to less than 1% of the company's share capital.

Reportable transactions

For the transactions of Board of Management and Supervisory Board members involving securities of the company notified to Deutsche Post AG in accordance with Section 15 a of the *Wertpapierhandelsgesetz* (WpHG – German securities trading act), please refer to the website of the company at www.dp-dhl.com.

56 Auditors' fees

The following fees for services rendered by the auditor of the consolidated financial statements, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, in financial year 2009 and in the financial year before, were recognised as expense:

€m	2008	2009
Audits of the financial statements	14	6
Other assurance or valuation services	8	1
Tax advisory services	1	0
Other services	12	1
Auditors' fees	**35**	**8**

57 Making use of Section 264 (3) HGB

For financial year 2009, Deutsche Post AG has exercised the simplification options allowed by Section 264 (3) of the HGB for the following companies:

- Danzas Deutschland Holding GmbH
- Deutsche Post Bankbeteiligungsgesellschaft mbH
- Deutsche Post Beteiligungen Holding GmbH
- Deutsche Post Beteiligungen Holding Bankbeteiligungsgesellschaft mbH
- Deutsche Post Com GmbH
- Deutsche Post Consult GmbH
- Deutsche Post Customer Service Center GmbH
- Deutsche Post Direkt GmbH
- Deutsche Post Immobilien GmbH
- Deutsche Post IT Brief GmbH
- Deutsche Post IT Services GmbH
- Deutsche Post Real Estate Germany GmbH
- Deutsche Post Shop Essen GmbH
- Deutsche Post Shop Hannover GmbH
- Deutsche Post Shop München GmbH
- Deutsche Post Technischer Service GmbH
- DHL Airways GmbH
- DHL Automotive GmbH
- DHL Automotive Offenau GmbH
- DHL BwLog GmbH
- DHL Express Germany GmbH
- DHL Global Forwarding GmbH
- DHL Global Mangement GmbH
- DHL Home Delivery GmbH
- DHL Hub Leipzig GmbH
- DHL International GmbH
- DHL Logistics GmbH
- DHL Solutions Fashion GmbH
- DHL Solutions GmbH
- DHL Solutions Großgut GmbH
- DHL Solutions Retail GmbH
- DHL Verwaltungs GmbH
- DP DHL Inhouse Consulting GmbH
- DP DHL Market Research and Innovation GmbH
- DP Fleet GmbH
- European Air Transport Leipzig GmbH
- interServ Gesellschaft für Personal- und Beraterdienstleistungen
- ITG GmbH Internationale Spedition und Logistik
- Werbeagentur Janssen GmbH
- Williams Lea Deutschland GmbH
- Williams Lea Direct Marketing Solutions GmbH
- Williams Lea Document Solutions GmbH
- Williams Lea Inhouse Solutions GmbH
- Williams Lea Marketing Solutions GmbH
- Williams Lea Print Solutions GmbH

58 Declaration of Conformity with the German Corporate Governance Code

On 7 December 2009, the Board of Management and the Supervisory Board of Deutsche Post AG together submitted the Declaration of Conformity with the German Corporate Governance Code for financial year 2009 required by Section 161 of the *Aktiengesetz* (AktG – German stock corporation act). This Declaration of Conformity can be accessed online at www.corporate-governance-code.de and at www.dp-dhl.com.

59 Significant events after the balance sheet date

With the amended IAS 39 effective as at 1 January 2010, the forward which had so far not been accounted for in the mandatory exchangeable bond, will be recognised in the balance sheet at fair value through profit or loss; see Notes 3 and 4.

There were no other reportable events after the balance sheet date.

60 Miscellaneous

At the end of January 2009 the Federal Administrative Court in Leipzig rejected the minimum wage regulation of the Federal Ministry of Labour on formal grounds. The Federal Administrative Court, in its press release, referred to procedural errors in the preparation of the regulation by the Federal Ministry of Labour.

61 List of shareholdings

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Europe					
ABIS GmbH	Germany, Frankfurt/Main	35.70	EUR	350	842
Aerocar B.V.	Netherlands, Amsterdam	100.00	EUR	7,181	813
Albert Scheid GmbH	Germany, Cologne	100.00	EUR	990	146
Applied Distribution Group Ltd.	United Kingdom, Bracknell	100.00	EUR	5,570	0
ASG UK Ltd.[5]	United Kingdom, Staines	100.00	EUR	224	0
Axial S.A.[5]	Belgium, Seneffe	100.00	EUR	2,765	0
Blue Funnel Bulkships Ltd.[5]	United Kingdom, Bracknell	100.00	EUR	–2,475	0
BürgTrans GmbH	Germany, Düsseldorf	100.00	EUR	240	–3
Cargus Express Curier SrL.	Romania, Bucharest	99.91	EUR	–5,232	–4,863
Cargus International SrL.	Romania, Bucharest	100.00	EUR	–3,244	1,521
Cassin Air Transport (Shannon) Ltd.[5]	Ireland, Dublin	100.00	EUR	9,264	0
Clepa SARL	France, Vitry-sur-Seine	100.00	EUR	1,390	–62
Container Services (Amsterdam) B.V.	Netherlands, Amsterdam	100.00	EUR	245	1
Cormar Ltd.[5]	United Kingdom, Bracknell	100.00	EUR	2,299	0
CPJ Travel Ltd.	United Kingdom, Hounslow	100.00	EUR	151	–10
D.H.L. International AB	Sweden, Stockholm	100.00	EUR	3,564	0
DANMAR Lines AG	Switzerland, Basel	100.00	EUR	16,467	–1,392
DANZAS (Oss) B.V.	Netherlands, Tiel	100.00	EUR	4,754	22
DANZAS (UK) Ltd.[5]	United Kingdom, Staines	100.00	EUR	1,120	0
DANZAS AEI (UK) Ltd.	United Kingdom, Staines	100.00	EUR	8,460	0
DANZAS AEI GmbH	Germany, Kelsterbach	100.00	EUR	7,805	56
Danzas Chemicals GmbH[5]	Germany, Düsseldorf	100.00	EUR	–1,267	0
Danzas Deutschland Holding GmbH	Germany, Frankfurt/Main	100.00	EUR	5,326	–220,240
DANZAS Fashion B.V.	Netherlands, Venlo	100.00	EUR	–25,773	–6,442
Danzas Fashion N.V.	Belgium, Grimbergen	100.00	EUR	–1,209	–23
DANZAS Fashion Service Centers B.V.	Netherlands, Waalwijk	100.00	EUR	732	83
Danzas Grundstücksverwaltung Düsseldorf GmbH	Germany, Düsseldorf	100.00	EUR	16,009	172
Danzas Grundstücksverwaltung Frankfurt GmbH	Germany, Frankfurt/Main	100.00	EUR	31,260	652
Danzas Grundstücksverwaltung Gross-Gerau GmbH	Germany, Hamburg	100.00	EUR	28	–30
Danzas Holding AG	Switzerland, Basel	100.00	EUR	231,048	42,988
Danzas Kiev Ltd.[1]	Ukraine, Kiev	100.00	EUR	–1,471	–274
Danzas Odessa Ltd.[1]	Ukraine, Odessa	100.00	EUR	–	–
Danzas Lebensmittelverkehre GmbH	Germany, Frankfurt/Main	100.00	EUR	–214	–1,674
Danzas Polska Sp. z o.o.	Poland, Warsaw	100.00	EUR	24	0
DANZAS Services (Oss) B.V.	Netherlands, Tiel	100.00	EUR	45	0
Danzas Verwaltungs GmbH	Germany, Frankfurt/Main	100.00	EUR	20,888	–891
Danzas, S.L.[1]	Spain, San Sebastián	100.00	EUR	235,329	46,048
Union Aduanera Española S.A.[1]	Spain, Barcelona	100.00	EUR	–	–
Darshaan Properties Ltd. (D)	Ireland, Dublin	100.00	EUR	8,023	–655
Deutsche Post Adress Beteiligungsgesellschaft mbH	Germany, Bonn	100.00	EUR	416	8,539
Deutsche Post Adress Geschäftsführungs GmbH	Germany, Bonn	51.00	EUR	27	–16
Deutsche Post Adress GmbH & Co. KG	Germany, Bonn	51.00	EUR	9,380	16,437
Deutsche Post Assekuranz Vermittlungs GmbH	Germany, Bonn	55.00	EUR	51	–3
Deutsche Post Bankbeteiligungsgesellschaft mbH	Germany, Bonn	100.00	EUR	1,329,361	2,782
Deutsche Post Beteiligungen Holding Bankbeteiligungsgesellschaft mbH	Germany, Bonn	100.00	EUR	4,014,185	1,113
Deutsche Post Beteiligungen Holding GmbH	Germany, Bonn	100.00	EUR	9,077,243	–149,543
Deutsche Post Com GmbH	Germany, Bonn	100.00	EUR	1,150	–71
Deutsche Post Consult GmbH	Germany, Bonn	100.00	EUR	3,833	582
Deutsche Post Customer Service Center GmbH	Germany, Monheim	100.00	EUR	–803	–29,315
Deutsche Post DHL Inhouse Consulting GmbH	Germany, Bonn	100.00	EUR	–1	7,510
Deutsche Post DHL Market Research and Innovation GmbH	Germany, Bonn	100.00	EUR	7,426	–2,724
Deutsche Post Direkt GmbH	Germany, Bonn	100.00	EUR	60	7,422

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Deutsche Post Finance B.V.	Netherlands, Amersfoort	100.00	EUR	11,778	552
Deutsche Post Fleet GmbH	Germany, Bonn	100.00	EUR	511,119	1,011
Deutsche Post Global Mail (Belgium) N.V.	Belgium, Brussels	100.00	EUR	1,070	68
Deutsche Post Global Mail (France) SAS	France, Vincennes	100.00	EUR	2,480	–1,503
Deutsche Post Global Mail (Netherlands) B.V.	Netherlands, Utrecht	100.00	EUR	7,845	1,571
Deutsche Post Global Mail (Switzerland) AG	Switzerland, Basel	100.00	EUR	958	839
Deutsche Post Global Mail (UK) Ltd.	United Kingdom, Croydon	100.00	EUR	7,724	0
Deutsche Post Immobilien GmbH	Germany, Bonn	100.00	EUR	2,793	2,468
Deutsche Post Immobilienentwicklung Grundstücksgesellschaft mbH	Germany, Bonn	100.00	EUR	59	–339
Deutsche Post Immobilienentwicklung Grundstücksgesellschaft mbH & Co. Logistikzentren KG	Germany, Bonn	100.00	EUR	–28,818	–28,169
Deutsche Post Insurance Ltd.	Ireland, Dublin	100.00	EUR	7,547	2,631
Deutsche Post International B.V.[1]	Netherlands, Amersfoort	100.00	EUR	3,086,452	213,588
TheNetherlands622009 B.V.[1]	Netherlands, Apeldoorn	100.00	EUR	–	–
Deutsche Post IT BRIEF GmbH	Germany, Bonn	100.00	EUR	13,455	–7,467
Deutsche Post IT Services GmbH	Germany, Bonn	100.00	EUR	40,175	114
Deutsche Post Mail Distribution (Netherlands) B.V.	Netherlands, Apeldoorn	100.00	EUR	–8,145	–166
Deutsche Post Real Estate Germany GmbH	Germany, Bonn	100.00	EUR	13,408	–15,545
Deutsche Post Reinsurance S.A.	Luxembourg, Luxembourg	100.00	EUR	2,240	461
Deutsche Post Selekt Mail Nederland C.V.	Netherlands, Utrecht	100.00	EUR	–37,834	–9,269
Deutsche Post Shop Essen GmbH	Germany, Essen	100.00	EUR	25	18
Deutsche Post Shop Hannover GmbH	Germany, Hanover	100.00	EUR	25	60
Deutsche Post Shop München GmbH	Germany, Munich	100.00	EUR	25	91
Deutsche Post Technischer Service GmbH	Germany, Bonn	100.00	EUR	49	–1,339
DHL (Cyprus) Ltd.	Cyprus, Nikosia	100.00	EUR	2,807	176
DHL Air Ltd.	United Kingdom, Hounslow	100.00	EUR	19,226	747
DHL AirWays GmbH	Germany, Cologne	100.00	EUR	–3,187	1,584
DHL Automotive GmbH	Germany, Hamburg	100.00	EUR	4,549	–614
DHL Automotive Offenau GmbH	Germany, Bonn	100.00	EUR	60	–509
DHL Automotive s.r.o.	Czech Republic, Prague	100.00	EUR	9,991	1,867
DHL Aviation (France) SAS	France, Roissy-en-France	100.00	EUR	1,892	–98
DHL Aviation (Italy) SrL.	Italy, Milan	100.00	EUR	3,624	2,085
DHL Aviation (Netherlands) B.V.	Netherlands, Amersfoort	100.00	EUR	8,915	–10
DHL Aviation (UK) Ltd.	United Kingdom, Hounslow	100.00	EUR	16,871	2,007
DHL Aviation N.V./S.A.	Belgium, Zaventem	100.00	EUR	97,789	75,784
DHL Bwlog GmbH	Germany, Bonn	100.00	EUR	20,949	29
DHL Container Logistics (UK) Ltd.	United Kingdom, Hounslow	100.00	EUR	0	11,409
DHL Distribution Holdings (UK) Ltd.	United Kingdom, Hounslow	100.00	EUR	390,302	–10,867
DHL Ekspres (Slovenija) d.o.o.	Slovenia, Trzin	100.00	EUR	–25	–665
DHL Estonia AS	Estonia, Tallinn	100.00	EUR	5,597	93
DHL Exel Central Services	France, Roissy-en-France	100.00	EUR	–4,168	14,419
DHL Exel Supply Chain (Denmark) A/S	Denmark, Kastrup	100.00	EUR	–21,088	–9,001
DHL Exel Supply Chain (Italy) Spa.	Italy, Milan	100.00	EUR	28,083	132
DHL Exel Supply Chain (Norway) AS	Norway, Oslo	100.00	EUR	1,105	–2,654
DHL Exel Supply Chain (Poland) Sp. z o.o.	Poland, Warsaw	100.00	EUR	–1,419	–1,861
DHL Exel Supply Chain (Spain) S.L.	Spain, Madrid	100.00	EUR	48	–3
DHL Exel Supply Chain (Sweden) AB	Sweden, Stockholm	100.00	EUR	13,995	–3,348
DHL Exel Supply Chain Euskal-Log, S.L.U.	Spain, Barcelona	100.00	EUR	6	–4
DHL Exel Supply Chain Hungary Ltd.	Hungary, Ullo	100.00	EUR	–1,274	–1,678
DHL Exel Supply Chain Portugal Lda.	Portugal, Alverca	100.00	EUR	7,095	1,292
DHL Exel Supply Chain Trade (Poland) Sp. z o.o.	Poland, Warsaw	100.00	EUR	448	9
DHL Exel Supply Chain Trollhättan AB	Sweden, Stockholm	100.00	EUR	4,152	1,338
DHL Express (Austria) Ges.m.b.H	Austria, Guntramsdorf	100.00	EUR	4,096	–4,639
DHL Express (Belgium) N.V.	Belgium, Ternat	100.00	EUR	8,376	–4,896
DHL Express (Czech Republic) s.r.o.	Czech Republic, Ostrava	100.00	EUR	8,047	784

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
DHL Express (Denmark) A/S	Denmark, Broendby	100.00	EUR	69,614	2,438
DHL Express (France) SAS	France, Roissy-en-France	100.00	EUR	–5,690	–107,140
DHL Express (Hellas) S.A.	Greece, Athens	100.00	EUR	465	–359
DHL Express (Hungary) Ltd.	Hungary, Budapest	100.00	EUR	13,250	1,235
DHL Express (Iceland) EHF	Iceland, Reykjavik	100.00	EUR	–40	–5
DHL Express (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	–22,442	–18,940
DHL Express (Italy) SrL.	Italy, Milan	100.00	EUR	19,641	–3,559
DHL Express (Luxembourg) S.A.	Luxembourg, Contern	100.00	EUR	4,635	353
DHL Express (Netherlands) B.V.	Netherlands, Amersfoort	100.00	EUR	–18,758	14,280
DHL Express (Norway) AS	Norway, Oslo	100.00	EUR	4,005	–9,509
DHL Express (Poland) Sp. z o.o.	Poland, Warsaw	100.00	EUR	59,774	24,860
DHL Express (Schweiz) AG	Switzerland, Basel	100.00	EUR	15,330	10,624
DHL Express (Slovakia) Spol Sro	Slovakia, Bratislava	100.00	EUR	7,019	764
DHL Express (Sweden) AB	Sweden, Stockholm	100.00	EUR	–3,739	–24,548
DHL Express (UK) Ltd.	United Kingdom, Hounslow	100.00	EUR	–416,909	–124,298
DHL Express Bulgaria EOOD	Bulgaria, Sofia	100.00	EUR	3,827	1,685
DHL Express Germany GmbH	Germany, Bonn	100.00	EUR	1,710	20,904
DHL Express Iberia S.L.[1]	Spain, San Sebastián	100.00	EUR	201,576	27,336
Denalur SPE, S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express a Coruna Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Alacant Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Araba Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Barcelona Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Bizkaia Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Cantabria Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Castello Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Ciudad Real Spain S.L.[1]	Spain, Ciudad Real	100.00	EUR	–	–
DHL Express Girona Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Guipuzkona Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Huelva Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Iles Baleares Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Jaén Spain S.L.[1]	Spain, Ciudad Real	100.00	EUR	–	–
DHL Express Lugo Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Madrid Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Malaga Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Navarra Spain S.L.[1]	Spain, Navarra	100.00	EUR	–	–
DHL Express Pontevedra Spain S.L.[1]	Spain, Pontevedra	100.00	EUR	–	–
DHL Express Servicios S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Sevilla Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Tarragona Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Valencia Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Valladolid Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Zaragoza Spain S.L.[1]	Spain, San Sebastián	100.00	EUR	–	–
DHL Express Ltd.[1]	United Kingdom, Hounslow	100.00	EUR	5,932	0
DHL Pony Express Ltd.[1]	United Kingdom, Hounslow	100.00	EUR	–	–
DHL@home Ltd.[1]	United Kingdom, Hounslow	100.00	EUR	–	–
Rosier Distribution Ltd.[1]	United Kingdom, Hounslow	100.00	EUR	–	–
Russel Davies Properties Ltd.[1]	United Kingdom, Hounslow	100.00	EUR	–	–
Russell Davies Ltd.[1]	United Kingdom, Hounslow	100.00	EUR	–	–
DHL Express Macedonia d.o.o.e.l.	Macedonia, Skopje	100.00	EUR	1,595	362
DHL Express Portugal Lda.	Portugal, Moreira da Maia	100.00	EUR	19,742	3,329
DHL Express Services (France) SAS	France, Roissy-en-France	100.00	EUR	–717	375
DHL Fashion (France) SAS	France, Roissy-en-France	100.00	EUR	–1,423	–3,072
DHL Finance Services B.V.	Netherlands, Maastricht	100.00	EUR	21,554	1,576
DHL Food Logistics, s.r.o.	Czech Republic, Říčany	100.00	EUR	401	21
DHL Freight (Belgium) N.V.	Belgium, Grimbergen	100.00	EUR	4,240	–2,742
DHL Freight (France) SAS	France, Roissy-en-France	100.00	EUR	6,236	–16,962

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
DHL Freight (Netherlands) B.V.	Netherlands, Amersfoort	100.00	EUR	3,961	426
DHL Freight and Contract Logistics (UK) Ltd.	United Kingdom, Milton Keynes	100.00	EUR	–344	–28,201
DHL Freight Finland Oy	Finland, Vantaa	100.00	EUR	14,307	–2,220
DHL Freight Germany Holding GmbH	Germany, Düsseldorf	100.00	EUR	–54,282	–23,113
DHL Freight GmbH	Germany, Düsseldorf	100.00	EUR	2,469	–18,388
DHL Freight Hungary Forwarding and Logistics Ltd.	Hungary, Budapest	100.00	EUR	–179	–162
DHL Freight Spain S.L.	Spain, San Sebastián	100.00	EUR	7,054	541
DHL GBS (UK) Ltd.	United Kingdom, Feltham	100.00	EUR	6,042	2,734
DHL Global Forwarding (Austria) Ges.m.b.H	Austria, Vienna	100.00	EUR	15,684	–1,344
DHL Global Forwarding (Belgium) N.V.	Belgium, Zaventem	100.00	EUR	32,956	–469
DHL Global Forwarding (CZ) s.r.o.	Czech Republic, Prague	100.00	EUR	18,974	2,809
DHL Global Forwarding (Denmark) A/S	Denmark, Kastrup	100.00	EUR	12,271	527
DHL Global Forwarding (Finland) Oy	Finland, Vantaa	100.00	EUR	4,218	470
DHL Global Forwarding (France) SAS	France, Roissy-en-France	100.00	EUR	46,549	1,739
DHL Global Forwarding (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	8,032	2,792
DHL Global Forwarding (Italy) Spa.	Italy, Milan	100.00	EUR	50,646	19,297
DHL Global Forwarding (Luxembourg) S.A.	Luxembourg, Luxembourg	100.00	EUR	761	153
DHL Global Forwarding (Netherlands) B.V.	Netherlands, Luchthaven Schiphol	100.00	EUR	29,726	–3,426
DHL Global Forwarding (Norway) AS	Norway, Gardemoen	100.00	EUR	–9,108	–3,417
DHL Global Forwarding (Senegal) S.A.	Senegal, Dakar	100.00	EUR	93	55
DHL Global Forwarding (SWEDEN) AB	Sweden, Kista	100.00	EUR	12,271	–276
DHL Global Forwarding (UK) Ltd.[1]	United Kingdom, Staines	100.00	EUR	167,607	17,262
Baker Britt & Co. Ltd.[1]	United Kingdom, Staines	100.00	EUR	–	–
DHL Global Forwarding GmbH	Germany, Frankfurt/Main	100.00	EUR	–686	18,821
DHL Global Forwarding Hellas S.A. of International Transportation and Logistics	Greece, Piraeus	100.00	EUR	5,423	–578
DHL Global Forwarding Hungary Kft	Hungary, Vecses	100.00	EUR	3,586	–684
DHL Global Forwarding Managament GmbH	Germany, Bonn	100.00	EUR	25	–1,661
DHL Global Forwarding Portugal, Lda.	Portugal, Moreira da Maia	100.00	EUR	3,301	829
DHL Global Forwarding Sp. z o.o.	Poland, Lodz	100.00	EUR	13,338	3,409
DHL Global Forwarding Spain S.L.	Spain, Madrid	100.00	EUR	17,547	4,195
DHL Global Forwarding Tasimacilik A.S.	Turkey, Istanbul	100.00	EUR	8,762	1,231
DHL Global Mail (UK) Ltd.	United Kingdom, Bracknell	100.00	EUR	–12,883	3,001
DHL Global Mail Nordic AB	Sweden, Stockholm	100.00	EUR	973	836
DHL Global Management GmbH	Germany, Bonn	100.00	EUR	1,353,003	86
DHL Group Services N.V./S.A.	Belgium, Zaventem	100.00	EUR	1,367	16
DHL Holding (France) SAS	France, Roissy-en-France	100.00	EUR	363,467	6,493
DHL Holding (Italy) SrL.	Italy, Milan	100.00	EUR	262,260	9,652
DHL Holdings (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	93	0
DHL Home Delivery GmbH	Germany, Hamburg	100.00	EUR	8,263	–22,985
DHL Hub Leipzig GmbH	Germany, Schkeuditz	100.00	EUR	–51	2,032
DHL Information Services (Europe) s.r.o.	Czech Republic, Prague	100.00	EUR	86,361	5,420
DHL Inter Ltd.[5]	United Kingdom, Moss End	100.00	EUR	0	1
DHL International (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	1,048	4
DHL International (Romania) SrL.	Romania, Bucharest	99.00	EUR	7,978	5,018
DHL International (UK) Ltd.	United Kingdom, Hounslow	100.00	EUR	42,770	–1,149
DHL International (Ukraine) ZAT	Ukraine, Kiev	100.00	EUR	1,625	363
DHL International B.V.	Netherlands, Amersfoort	100.00	EUR	26,664	0
DHL International d.o.o.	Croatia, Zagreb	100.00	EUR	2,138	651
DHL International Express (France) SAS	France, Roissy-en-France	100.00	EUR	17,232	–2,318
DHL International GmbH	Germany, Bonn	100.00	EUR	2,038,142	–250,268
DHL International N.V./S.A.	Belgium, Diegem	100.00	EUR	16,048	1,791
DHL Investments Ltd.	United Kingdom, St. Helier	100.00	EUR	–24,579	–3,634
DHL Latvia SIA	Latvia, Riga	100.00	EUR	–562	–1,259
DHL Lebensmittel Logistik GmbH	Austria, Vienna	100.00	EUR	948	–4,526
DHL Logistika D.O.O.	Slovenia, Brnik	100.00	EUR	693	–61

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
DHL Logistics (Hungary) Ltd.	Hungary, Budapest	100.00	EUR	15,401	26
DHL Logistics (Schweiz) AG	Switzerland, Basel	100.00	EUR	21,623	3,465
DHL Logistics (Slovakia) spol. s r.o.	Slovakia, Senec	100.00	EUR	1,280	–415
DHL Logistics (Ukraine) Ltd.[1]	Ukraine, Kiev	100.00	EUR	132	–
DP Air Cargo Service Ukraine Ltd.[1]	Ukraine, Kiev	100.00	EUR	–	–
OOO ASG Rad Transport Russia[1]	Russia, Moscow	100.00	EUR	–	–
DHL Logistics GmbH	Germany, Hamburg	100.00	EUR	1,483	–12,764
DHL Logistics SrL.	Romania, Bucharest	100.00	EUR	746	275
DHL Logistik Service GmbH	Austria, Vienna	100.00	EUR	887	–2,353
DHL Lojistik Hizmetleri A.S.	Turkey, Istanbul	100.00	EUR	9,409	–381
DHL Management (Schweiz) AG	Switzerland, Basel	100.00	EUR	21,283	20,730
DHL Management Services Ltd.	United Kingdom, Hounslow	100.00	EUR	145	30
DHL Medjunarodni Vazdusni Ekspres d.o.o.	Serbia, Belgrade	100.00	EUR	3,770	726
DHL Neutral Services Ltd.	United Kingdom, Bracknell	100.00	EUR	–4,137	–2,418
DHL Nordic AB	Sweden, Stockholm	100.00	EUR	73,685	–1,158
DHL Packaging, s.r.o.	Czech Republic, Pohořelice	70.00	EUR	–273	508
DHL Pipelife Logistik GmbH	Austria, Vienna	100.00	EUR	1,804	58
DHL Quality Cargo AS	Norway, Oslo	100.00	EUR	2,437	–142
DHL Rail AB	Sweden, Trelleborg	100.00	EUR	116	120
DHL Senegal SARL	Senegal, Dakar	100.00	EUR	1,233	712
DHL Services Ltd.	United Kingdom, Milton Keynes	100.00	EUR	–1,027	6,958
DHL Shoe Logistics s.r.o.	Czech Republic, Pohořelice	100.00	EUR	905	–263
DHL Solutions (Belgium) N.V.	Belgium, Mechelen	100.00	EUR	27,323	–3,519
DHL Solutions (France) SAS	France, Roissy-en-France	100.00	EUR	1,967	–22,960
DHL Solutions Fashion GmbH	Germany, Essen	100.00	EUR	–394	–92
DHL Solutions GmbH	Germany, Hamburg	100.00	EUR	57,578	–224,655
DHL Solutions Großgut GmbH	Germany, Frankfurt/Main	100.00	EUR	21,423	–75,562
DHL Solutions Retail GmbH	Germany, Unna	100.00	EUR	3,604	–28,993
DHL Solutions s.r.o.	Czech Republic, Ostrava	100.00	EUR	5,649	–343
DHL Stenvreten KB	Sweden, Stockholm	100.00	EUR	–1,488	–1,461
DHL Stock Express SAS	France, Roissy-en-France	100.00	EUR	–14,182	–14,720
DHL Supply Chain (Austria) GmbH	Austria, Vienna	100.00	EUR	3,803	4,736
DHL Supply Chain (Finland) Oy	Finland, Vantaa	100.00	EUR	4,267	–690
DHL Supply Chain (Netherlands) B.V.	Netherlands, Amersfoort	100.00	EUR	132,204	–5,969
DHL Supply Chain Management (Benelux) B.V.	Netherlands, Amersfoort	100.00	EUR	–30,507	440
DHL Supply Chain Management GmbH	Germany, Bonn	100.00	EUR	25	321
DHL Supply Chain, s.r.o.	Czech Republic, Pohořelice	100.00	EUR	7,838	–803
DHL Technical Distribution B.V.	Netherlands, Veghel	100.00	EUR	–2,059	–75
DHL Trade Fairs & Events GmbH	Germany, Frankfurt/Main	100.00	EUR	151	–154
DHL Transcare Transport GmbH	Austria, Vienna	100.00	EUR	5,500	–37
DHL Vehicle Services (UK) Ltd.	United Kingdom, Hounslow	100.00	EUR	–1,678	303
DHL Vertriebs GmbH & Co. OHG	Germany, Bonn	100.00	EUR	52,596	14,868
DHL Verwaltungs GmbH	Germany, Bonn	100.00	EUR	–408	–260
DHL Voigt International GmbH	Germany, Neumuenster	51.00	EUR	1,096	833
DHL Wahl International GmbH	Germany, Bielefeld	51.00	EUR	940	325
DHL Worldwide Express Logistics N.V./S.A.	Belgium, Diegem	100.00	EUR	26,615	1,657
DHL Worldwide Express Tasimacilik ve Ticaret A.S.	Turkey, Istanbul	100.00	EUR	20,169	3,858
DHL Worldwide Network N.V./S.A.	Belgium, Diegem	100.00	EUR	38,425	5,069
DZ Specialties B.V.	Netherlands, Amersfoort	100.00	EUR	62,387	–902
European Air Transport Leipzig GmbH	Germany, Schkeuditz	100.00	EUR	25	755
European Air Transport N.V./S.A.	Belgium, Zaventem	100.00	EUR	18,868	26,048
Exel (Africa) Ltd.	United Kingdom, Bracknell	100.00	EUR	–1,583	2,018
Exel (Belgium) N.V.	Belgium, Veghel	100.00	EUR	5,415	2,231
Exel (European Services Centre) Ltd.	Ireland, Dublin	100.00	EUR	–10,665	–14
Exel (Mechelen) N.V.	Belgium, Mechelen	100.00	EUR	3,499	–609
Exel (Meinerzhagen) GmbH	Germany, Unna	100.00	EUR	199	–6
Exel (Wommelgem) N.V.	Belgium, Wommelgem	100.00	EUR	–3,352	–88

Affiliated companies included in the consolidated financial statements

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Exel Beziers EURL	France, Paris	100.00	EUR	–226	–871
Exel Bornem N.V.	Belgium, Mechelen	100.00	EUR	737	123
Exel Chenas EURL	France, Roissy-en-France	100.00	EUR	66	–162
Exel Czech Republic s.r.o.	Czech Republic, Prague	100.00	EUR	373	76
Exel de Portugal Transitarios Lda.	Portugal, Lisbon	100.00	EUR	94	–4
Exel Eiendom AS	Norway, Oslo	100.00	EUR	11,116	215
Exel Environmental Developments Ltd.	United Kingdom, Bracknell	100.00	EUR	1	7,882
Exel EURL	France, Erstein	100.00	EUR	167	–781
Exel Europe Ltd.	United Kingdom, Milton Keynes	100.00	EUR	323,500	114,213
Exel European Management Transport Services N.V.	Belgium, Vilvoorde	100.00	EUR	1,927	–282
Exel Finance (1986) Ltd.	United Kingdom, Bedford	100.00	EUR	0	6,382
Exel Finance Ltd.	United Kingdom, Bedford	100.00	EUR	601	659
Exel France S.A.	France, Roissy-en-France	100.00	EUR	140,331	340
Exel Freight Management (Ireland) Ltd.[5]	Ireland, Dublin	100.00	EUR	0	0
Exel Freight Management (UK) Ltd.	United Kingdom, Bracknell	100.00	EUR	7,082	0
Exel Freight SAS	France, Roissy-en-France	100.00	EUR	33,123	126
Exel Frigoliner GmbH	Germany, Grosskarolinenfeld	100.00	EUR	1,451	–502
Exel Gallieni	France, Roissy-en-France	100.00	EUR	–992	–608
Exel Gironde S.A.	France, Arles	100.00	EUR	5,848	–1,141
Exel Group Holdings (Nederland) B.V.	Netherlands, Veghel	100.00	EUR	59,555	–10,362
Exel Head Office Services Ltd.	United Kingdom, Bedford	100.00	EUR	0	1,370
Exel Healthcare (Belgium) N.V.	Belgium, Mechelen	100.00	EUR	56,887	–1,711
Exel Holdings Ltd.	United Kingdom, Bedford	100.00	EUR	214,670	82,082
Exel Insurance Ltd.	United Kingdom, Bedford	100.00	EUR	7,352	172
Exel International Holdings (Belgium) N.V.	Belgium, Mechelen	100.00	EUR	87,538	–593
Exel International Holdings (Netherlands 1) B.V.	Netherlands, Veghel	100.00	EUR	695,862	0
Exel International Holdings (Netherlands 2) B.V.	Netherlands, Veghel	100.00	EUR	1,141,082	18,246
Exel International Holdings (Netherlands 5) B.V.	Netherlands, Veghel	100.00	EUR	27,314	33,208
Exel International Holdings Ltd.	United Kingdom, Bedford	100.00	EUR	258,564	1,600
Exel Investments Ltd.	United Kingdom, Bracknell	100.00	EUR	303,180	2,247
Exel Investments Netherlands B.V.	Netherlands, Veghel	100.00	EUR	225	0
Exel Lille SARL	France, Roissy-en-France	100.00	EUR	–391	–1,009
Exel Ltd.	United Kingdom, Bracknell	100.00	EUR	1,543,334	443,253
Exel Logistics – Fashionflow Ltd.	United Kingdom, Bracknell	100.00	EUR	1,008	0
Exel Logistics – Management Services Ltd.	United Kingdom, Bracknell	100.00	EUR	1,159	0
Exel Logistics (Northern Ireland) Ltd.	United Kingdom, Mallusk	100.00	EUR	4,843	–53
Exel Logistics Ltd.	United Kingdom, Milton Keynes	100.00	EUR	32,940	6,818
Exel Logistics Property Ltd.	United Kingdom, Bedford	100.00	EUR	55,624	5,173
Exel Loire EURL	France, Roissy-en-France	100.00	EUR	2,660	–956
Exel Management Services No 2 Ltd.	United Kingdom, Bracknell	100.00	EUR	0	22,456
Exel Overseas Ltd.	United Kingdom, Bracknell	100.00	EUR	150,242	16,165
Exel Overseas Finance	United Kingdom, Bedford	100.00	EUR	343,765	15,666
Exel Rhone EURL SARL	France, Roissy-en-France	100.00	EUR	1,614	–164
Exel Roadfreight Services B.V.	Netherlands, Veghel	100.00	EUR	–7,737	–518
Exel Rome SARL	France, Roissy-en-France	100.00	EUR	304	–549
Exel Scotland Ltd.	United Kingdom, Glasgow	100.00	EUR	2,431	568
Exel Seine SARL	France, Roissy-en-France	100.00	EUR	1,101	–459
Exel Services Logistiques SAS	France, Roissy-en-France	100.00	EUR	5,426	–8,877
Exel Slovakia, s.r.o.	Slovakia, Bratislava	100.00	EUR	1,082	–596
Exel Supply Chain Solutions Ltd.	Ireland, Dublin	100.00	EUR	–1,794	–2,652
Exel Sweden AB	Sweden, Stockholm	100.00	EUR	15,302	165
Exel Technology Supply Chain Solutions (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	1,861	–9,373
Exel Transport France SASU	France, Vitry-sur-Seine	100.00	EUR	–299	–1,899
Exel UK Ltd.	United Kingdom, Bracknell	100.00	EUR	46,249	18,514
Express Line N.V./S.A	Belgium, Diegem	100.00	EUR	2,024	19
F.X. Coughlin (U.K.) Ltd.	United Kingdom, Bracknell	100.00	EUR	2,773	–14

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Affiliated companies included in the consolidated financial statements

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F.X. Coughlin B.V.	Netherlands, Veghel	100.00	EUR	1,617	313
FACT Denmark A/S	Denmark, Kastrup	100.00	EUR	548	70
Fashion Logistics Ltd.	United Kingdom, Bracknell	100.00	EUR	381	202
First Mail Düsseldorf GmbH	Germany, Düsseldorf	100.00	EUR	–2,077	–1,398
Formation E-Document Solutions Ltd.	United Kingdom, London	95.96	EUR	6,483	–7,225
Freight Indemnity and Guarantee Company Ltd.	United Kingdom, Bedford	100.00	EUR	18	0
Fulfilment Plus GmbH	Germany, Bonn	51.00	EUR	403	192
Gerlach & Co. Internationale Expediteurs B.V.	Netherlands, Venlo	100.00	EUR	3,107	346
Gerlach & Co. N.V.	Belgium, Antwerp	100.00	EUR	5,170	–112
Gerlach AG	Switzerland, Basel	100.00	EUR	5,461	4,327
Gerlach Kft	Hungary, Budapest	100.00	EUR	574	–7
Gerlach Sp. z o.o.	Poland, Gluchowo/Komorniki	100.00	EUR	782	229
Gerlach Spol s.r.o.	Czech Republic, Rudna u Prahy	100.00	EUR	2,023	1,213
Gerlach Zolldienste GmbH	Germany, Frankfurt/Main	100.00	EUR	–141	–231
Giorgio Gori SrL.	Italy, Collesalvetti (Livorno)	60.00	EUR	16,570	7,195
Global Mail (Austria) Ges. m.b.H	Austria, Vienna	100.00	EUR	1,833	430
Gori France SAS	France, Châtenoy-le-Royal	60.00	EUR	969	–227
Gori Iberia S.L.	Spain, Barcelona	60.00	EUR	1,556	539
Gori Iberia Transitarios, Limitada	Portugal, Matosinhos	45.00	EUR	622	304
Güll GmbH	Germany, Lindau (Bodensee)	51.00	EUR	1,847	398
Henderson Line Ltd.	United Kingdom, Glasgow	100.00	EUR	353	–5
Higgs International Ltd.	United Kingdom, Bracknell	100.00	EUR	12,014	990
Historia Sp. z o.o.	Poland, Warsaw	100.00	EUR	–155	0
Hull Blyth (Angola) Ltd.	United Kingdom, Bracknell	100.00	EUR	–3,653	–2,111
Hyperion Properties Ltd.[5]	United Kingdom, Bedford	100.00	EUR	–5,016	0
Inside Track Automotive Ltd.[5]	United Kingdom, Bracknell	100.00	EUR	2,911	0
Integrated Logistics Management Belgium B.V.	Netherlands, Veghel	100.00	EUR	1,576	–50
Interlanden B.V.[1]	Netherlands, Apeldoorn	100.00	EUR	–183	–12,603
Wegener Transport B.V.[1]	Netherlands, Apeldoorn	70.00	EUR	–	–
InterServ Gesellschaft für Personal- und Beratungsdienstleistungen mbH	Germany, Bonn	100.00	EUR	14,903	–40,507
INTEXO Holding (Deutschland) GmbH	Germany, Huenxe	100.00	EUR	3,567	–2
ITG Global Logistics B.V.	Netherlands, Schiphol C	100.00	EUR	954	–575
ITG GmbH Internationale Spedition und Logistik	Germany, Schwaig/Oberding	100.00	EUR	1,687	–1,404
ITG Internationale Spedition Ges.m.b.H.	Austria, Vienna	100.00	EUR	25	27
Joint Retail Logistics Ltd.[5]	United Kingdom, Bracknell	100.00	EUR	846	0
Kampton	United Kingdom, Bedford	100.00	EUR	–54	–102
Karukera Transit SAS	France, Pointe-à-Pitre	100.00	EUR	1,407	172
Kelpo Kuljetus Fi Oy	Finland, Vantaa	100.00	EUR	–1,632	–306
Laible AG Speditionen	Switzerland, Schaffhausen	100.00	EUR	418	359
Langtexo Logistik Verwaltungs GmbH	Germany, Duisburg	100.00	EUR	1,010	–45
MailMerge Nederland B.V.	Netherlands, Wormerveer	100.00	EUR	157	0
McGregor Cory Ltd.	United Kingdom, Bracknell	100.00	EUR	19,734	5,564
McGregor Gow & Holland (1996) Ltd.	United Kingdom, Bracknell	100.00	EUR	263	0
McGregor Sea & Air Services Ltd.	United Kingdom, Bracknell	100.00	EUR	336	0
Mercury Airspeed International B.V.	Netherlands, Nieuw Vennep	100.00	EUR	–822	–20
Mercury Holdings Ltd.	United Kingdom, Bracknell	100.00	EUR	10,682	0
MSAS Global Logistics Ltd.	United Kingdom, Bracknell	100.00	EUR	63,790	4,290
MSAS Ltd.	United Kingdom, Bracknell	100.00	EUR	–3,457	0
Multimar Seefrachtenkontor Ges.m.b.H	Austria, Vienna	100.00	EUR	278	–50
National Carriers Ltd.	United Kingdom, Bedford	100.00	EUR	5,890	207
NFC International Holdings (Ireland)	Ireland, Dublin	100.00	EUR	28,584	0
Ocean (Shetland) Ltd.	United Kingdom, Glasgow	100.00	EUR	195	0
Ocean Group (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	3,321	0
Ocean Group Investments Ltd.	United Kingdom, Bracknell	100.00	EUR	26,484	8,001
Ocean Overseas (Luxembourg) SARL	Luxembourg, Luxembourg	100.00	EUR	20,194	263,611
Ocean Overseas Holdings Ltd.	United Kingdom, Bracknell	100.00	EUR	402,226	517,742

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Ocean Transport & Trading Ltd.	United Kingdom, Bracknell	100.00	EUR	601,233	20,275
Orbital Secretaries Ltd.5)	United Kingdom, Hounslow	100.00	EUR	0	0
Outrack Credit (UK) Ltd.5)	United Kingdom, Hounslow	100.00	EUR	1	0
Packaging Datastore Ltd.	United Kingdom, Bracknell	100.00	EUR	0	739
Packaging Management Group Ltd.	United Kingdom, Bracknell	100.00	EUR	0	–75
Performance International N.V.	Belgium, Mechelen	100.00	EUR	–842	–976
Pharma Logistics B.V.	Netherlands, Rotterdam	100.00	EUR	342	–13
Pharma Logistics N.V.	Belgium, Mechelen	100.00	EUR	32,494	1,396
Power Europe (Cannock) Ltd.	United Kingdom, Bracknell	100.00	EUR	1,233	860
Power Europe (Doncaster) Ltd.	United Kingdom, Bracknell	100.00	EUR	929	564
Power Europe Development Ltd.	United Kingdom, Bracknell	100.00	EUR	0	0
Power Europe Development No. 3 Ltd.	United Kingdom, Bracknell	100.00	EUR	–18	–190
Power Europe Ltd.	United Kingdom, Bracknell	100.00	EUR	–3,263	316
Power Europe Operating Ltd.	United Kingdom, Bracknell	100.00	EUR	8,982	2,296
PPL CZ s.r.o.	Czech Republic, Prague	100.00	EUR	72,007	5,081
Presse Service Güll GmbH	Switzerland, St. Gallen	51.00	EUR	1,847	398
RDC Properties Ltd.	United Kingdom, Bracknell	100.00	EUR	6,353	0
Realcause Ltd.	United Kingdom, Bedford	100.00	EUR	473,031	26,847
Rosier Tankers Ltd.5)	United Kingdom, Hounslow	100.00	EUR	–3,005	1
Ross House (AL) Ltd.	United Kingdom, Bracknell	100.00	EUR	336	0
Scherbauer Spedition GmbH	Germany, Neutraubling	50.00	EUR	3,191	925
SCI Arcatime – Caudan	France, Brest	100.00	EUR	763	72
SCI Arcatime – St Berthevin	France, Brest	100.00	EUR	228	161
SCI Arcatime – Thouare	France, Brest	100.00	EUR	607	20
Selektvracht B.V.	Netherlands, Utrecht	100.00	EUR	15,034	4,088
SERMAT Services Maritimes Aériens et Transit S.A.	France, La Garenne Colombes	100.00	EUR	1,925	–39
SGB Speditionsgesellschaft mbH	Germany, Munich	100.00	EUR	585	165
Speedmail International Ltd.	United Kingdom, London	100.00	EUR	9,784	0
StarBroker AG	Switzerland, Basel	100.00	EUR	14,957	3,308
Sydney Cooper (Distribution) Ltd.	Ireland, Dublin	100.00	EUR	13,337	916
T&B Whitwood Holdings Ltd.	United Kingdom, Bracknell	100.00	EUR	18,001	675
Tankfreight (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	7,174	337
TBG USA5)	United Kingdom, Bracknell	100.00	EUR	0	0
TBMM Holdings Ltd.	United Kingdom, Bracknell	100.00	EUR	30	–2
The Stationery Office Enterprises Ltd.	United Kingdom, London	95.96	EUR	–42,129	11
The Stationery Office Group Ltd.	United Kingdom, London	95.96	EUR	28,119	0
The Stationery Office Holdings Ltd.	United Kingdom, London	95.96	EUR	3,217	–12,748
The Stationery Office Ltd.	United Kingdom, London	95.96	EUR	125,027	18,650
Tibbett & Britten (USA) Ltd.	United Kingdom, Bracknell	99.93	EUR	0	0
Tibbett & Britten Group (Ireland) Ltd.	Ireland, Dublin	100.00	EUR	4,992	256
Tibbett & Britten Group Iberia Ltd.	United Kingdom, Bracknell	100.00	EUR	0	0
Tibbett & Britten Group Ltd.	United Kingdom, Bracknell	100.00	EUR	30,185	–27,744
Tibbett & Britten International Holdings Ltd.	United Kingdom, Bracknell	100.00	EUR	0	8,610
Tibbett & Britten International Ltd.	United Kingdom, Bracknell	100.00	EUR	676	0
Tradeteam Ltd.	United Kingdom, Bedford	50.10	EUR	32,984	9,757
Traditrade Holding S.A.	Luxembourg, Luxembourg	100.00	EUR	22	–1
Transflash McGregor (Ireland) Ltd. (A)	Ireland, Dublin	100.00	EUR	–10,470	7,147
Transportbedrijf H. de Haan Vianen B.V.	Netherlands, Utrecht	100.00	EUR	4,674	0
TSO Holdings A Ltd.	United Kingdom, London	95.96	EUR	29,217	0
TSO Holdings B Ltd.	United Kingdom, London	95.96	EUR	44,447	0
TSO Property Ltd.	United Kingdom, London	95.96	EUR	10,627	548
UAB DHL Lietuva	Lithaunia, Vilnius	100.00	EUR	1,969	483
Véron Grauer AG	Switzerland, Basel	100.00	EUR	739	519
Vetsch AG, Internationale Transporte1)	Switzerland, Buchs	100.00	EUR	1,214	258
Vetsch Internationale Transporte Ges.m.b.H.1)	Austria, Wolfurt	100.00	EUR	–	–
VGL Direct Load Services B.V.	Netherlands, Tiel	100.00	EUR	–2,116	–495

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Werbeagentur Janssen GmbH	Germany, Düsseldorf	100.00	EUR	511	43
Williams Lea Belgium B.V.B.A.	Belgium, Ternat	95.57	EUR	–257	–12
Williams Lea Czech Republic, s.r.o.	Czech Republic, Brünn	95.96	EUR	728	–1,271
Williams Lea Deutschland GmbH	Germany, Bonn	100.00	EUR	1,804	4,555
Williams Lea Direct Marketing Solutions GmbH	Germany, Bonn	100.00	EUR	43	–82
Williams Lea Document Solutions GmbH	Germany, Mannheim	100.00	EUR	25	1,174
Williams Lea Finland Oy	Finland, Vantaa	95.96	EUR	29	5
Williams Lea France SAS	France, Paris	95.96	EUR	110	–265
Williams Lea Group Ltd.	United Kingdom, London	95.96	EUR	136,571	2,110
Williams Lea Group Management Services Ltd.	United Kingdom, London	95.96	EUR	344	388
Williams Lea Holdings Plc.	United Kingdom, London	95.96	EUR	478,313	3,296
Williams Lea Hungary Kft.	Hungary, Budapest	95.96	EUR	–23	–22
Williams Lea Inhouse Solutions GmbH	Germany, Bonn	100.00	EUR	2,292	12,129
Williams Lea Ireland Ltd.	Ireland, Dublin	95.96	EUR	1,742	–14
Williams Lea Italia SrL.	Italy, Rome	95.96	EUR	–22	–112
Williams Lea Ltd.	United Kingdom, London	95.96	EUR	41,816	18,103
Williams Lea Marketing Solutions GmbH	Germany, Munich	100.00	EUR	25	1,568
Williams Lea Netherlands B.V.	Netherlands, Amsterdam	95.96	EUR	–474	–679
Williams Lea Print Solutions GmbH	Germany, Bonn	100.00	EUR	25	–2,825
Williams Lea S.L.	Spain, Barcelona	95.96	EUR	–276	–56
Williams Lea Sweden AB	Sweden, Nyköping	95.96	EUR	936	–32
Williams Lea UK Ltd.	United Kingdom, London	95.96	EUR	18,112	2,384
Williams Lea Ukraine LLC	Ukraine, Kiev	95.96	EUR	64	–90
Yorkshire Exhibition Services Ltd.	United Kingdom, Staines	85.00	EUR	176	79
Americas					
AEI Drawback Services, Inc.	USA, Plantation	100.00	EUR	8,119	1,088
Aero Express del Acuador (Transam) cia Ltda. Sucursal Colombia	Colombia, Bogotá	100.00	EUR	702	698
Aero Express del Ecuador (TransAm) cia Ltda.	Ecuador, Guayaquil	100.00	EUR	4,929	681
Aerotrans S.A.	Panama, Panama City	100.00	EUR	7	0
Agencia de Aduanas SIA DHL Global Forwarding (Colombia) S.A. Nivel 1	Colombia, Bogotá	100.00	EUR	2,266	400
Air Express International USA, Inc.	USA, Plantation	100.00	EUR	16,159	1,453
ASTAR Air Cargo LLC[6]	USA, New York	49.00	EUR	–120,256	–17,721
Aviation Fuel Inc.	USA, Plantation	100.00	EUR	–4,092	–429
Circuit Logistics Inc.	Canada, Toronto	100.00	EUR	117	250
Connect Logistics Services Inc.	Canada, Toronto	100.00	EUR	21,597	6,037
D.H.L. International Express Ltd.	Canada, Mississauga	100.00	EUR	74,398	92
Danzas Corporation	USA, Plantation	100.00	EUR	–27,789	–6,328
DHL Global Forwarding (Canada) Inc.	Canada, Mississauga	100.00	EUR	46,490	2,517
DHL (Bahamas) Ltd.	Bahamas, Nassau	100.00	EUR	1,001	–96
DHL (Barbados) Ltd.	Barbados, St. Michael	100.00	EUR	1,484	–111
DHL (Bolivia) SrL.	Bolivia, Santa Cruz de la Sierra	100.00	EUR	4,278	–250
DHL (BVI) Ltd.	British Virgin Islands, Tortola	100.00	EUR	1,503	–514
DHL (Costa Rica) S.A.	Costa Rica, Cormar	100.00	EUR	6,911	–654
DHL (Honduras) S.A. de C.V.	Honduras, San Pedro Sula	100.00	EUR	4,944	766
DHL (Jamaica) Ltd.	Jamaica, Kingston	100.00	EUR	884	–855
DHL (Paraguay) SrL.	Paraguay, Asunción	100.00	EUR	3,149	774
DHL (Trinidad and Tobago) Ltd.	Trinidad and Tobago, Port of Spain	100.00	EUR	699	–795
DHL (Uruguay) SrL.	Uruguay, Montevideo	100.00	EUR	6,779	1,072
DHL Aero Expresso S.A.	Panama, Panama City	100.00	EUR	19,140	848
DHL Arwest (PANAMA) S.A.[1]	Panama, Panama City	100.00	EUR	–2,082	–730
Corporación Arwest de Mexico S.A. de C.V.[1]	Mexico, Mexico City	100.00	EUR	–	–
DHL Arwest de Mexico S.A. de C.V.[1]	Mexico, Mexico City	100.00	EUR	–	–
DHL Arwest (Guatemamala) S.A.[1]	Guatemala, Guatemala City	100.00	EUR	–	–
DHL Avation Americas Inc.	USA, Plantation	100.00	EUR	1,299	257
DHL Aviation (Costa Rica) S.A.	Costa Rica, San José	100.00	EUR	1,710	177

Affiliated companies included in the consolidated financial statements

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DHL Co Manufacturing Packing SC México	Mexico, Mexico City	100.00	EUR	–266	1,287
DHL Corporate Services SC México	Mexico, Teptzotlán	100.00	EUR	5,996	1,623
DHL Customer Support (Costa Rica) S.A.	Costa Rica, Real Cariari	100.00	EUR	–456	0
DHL Customs (Costa Rica) S.A.	Costa Rica, Cormar	100.00	EUR	1,463	–958
DHL Customs Brokerage Ltd.	Canada, Mississauga	100.00	EUR	27	134
DHL de Guatemala S.A.	Guatemala, Guatemala City	100.00	EUR	11,004	4,810
DHL Dominicana S.A.	Dominican Republic, Santo Domingo	100.00	EUR	–171	–418
DHL Exel Supply Chain (Argentina) S.A.	Argentina, Buenos Aires	100.00	EUR	938	–376
DHL Express (Argentina) S.A.	Argentina, Buenos Aires	100.00	EUR	12,506	976
DHL Express (Brazil) Ltda.	Brazil, São Paulo	100.00	EUR	10,978	3,739
DHL Express (Canada) Ltd.	Canada, Mississauga	100.00	EUR	–156,084	–11,362
DHL Express (Chile) Ltda.	Chile, Santiago de Chile	100.00	EUR	15,579	9,904
DHL Express (Ecuador) S.A.	Ecuador, Quito	100.00	EUR	2,867	1,229
DHL Express (El Salvador) S.A. de C.V.[1]	El Salvador, San Salvador	100.00	EUR	3,257	1,521
DHL Logistics de El Salvador S.A. de C.V.[1]	El Salvador, San Salvador	100.00	EUR	–	–
Postal One de El Salvador S.A. de C.V.[1]	El Salvador, San Salvador	100.00	EUR	–	–
DHL Express (USA) Inc.	USA, Plantation	100.00	EUR	–2,075,112	–144,878
DHL Express Colombia Ltda.	Colombia, Bogotá	100.00	EUR	11,884	5,252
DHL Express México, S.A. de C.V.	Mexico, Mexico City	100.00	EUR	28,865	17,119
DHL Express Peru S.A.C.[1]	Peru, Callao	100.00	EUR	13,885	2,289
DHL Express Aduanas Peru S.A.C.[1]	Peru, Callao	100.00	EUR	–	–
DHL Fletes Aereos, C.A.	Venezuela, Caracas	100.00	EUR	10,270	7,913
DHL Global Customer Solutions (USA) Inc.	USA, Plantation	100.00	EUR	711	967
DHL Global Forwarding (Argentina) S.A.	Argentina, Buenos Aires	99.97	EUR	4,728	49
DHL Global Forwarding (Chile) S.A.	Chile, Santiago de Chile	100.00	EUR	11,115	3,259
DHL Global Forwarding (Colombia) Ltda.	Colombia, Bogotá	100.00	EUR	2,005	–543
DHL Global Forwarding (Ecuador) S.A.	Ecuador, Quito	100.00	EUR	34	1
DHL Global Forwarding (El Salvador) S.A.	El Salvador, San Salvador	100.00	EUR	319	–79
DHL Global Forwarding (Guatemala) S.A.[1]	Guatemala, Guatemala City	100.00	EUR	1,795	487
Carga Aerea Internacional S.A. (CARINTER)[1]	Guatemala, Guatemala City	100.00	EUR	–	–
DHL Zona Franca (Guatemala) S.A.[1]	Guatemala, Guatemala City	100.00	EUR	–	–
Transportes Expresos Internacionales (Interexpreso) S.A.[1]	Guatemala, Guatemala City	100.00	EUR	–	–
DHL S.A.	Guatemala, Guatemala City	100.00	EUR	2,470	400
DHL Global Forwarding (Mexico) S.A. de C.V.	Mexico, Mexico City	100.00	EUR	17,573	4,441
DHL Global Forwarding (Nicaragua) S.A.	Nicaragua, Managua	100.00	EUR	–65	–6
DHL Global Forwarding (Panama) S.A.[1]	Panama, Panama City	100.00	EUR	3,086	509
DHL Holding Panama Inc.[1]	Panama, Panama City	100.00	EUR	–	–
DHL Global Forwarding Depósito Aduanero (Colombia) S.S.	Colombia, Bogotá	100.00	EUR	1,801	279
DHL Global Forwarding Management Latin America Inc.	USA, Coral Gables	100.00	EUR	2,931	2,374
DHL Global Forwarding Peru S.A.	Peru, Lima	100.00	EUR	2,582	–166
DHL Global Forwarding Venezuela, CA	Venezuela, Caracas	100.00	EUR	7,753	2,550
DHL Global Forwarding Zona Franca (Colombia) S.A.	Colombia, Bogotá	100.00	EUR	2,895	–381
DHL Holding Central America Inc.[1]	Panama, Panama City	100.00	EUR	37,174	3,180
Lagents & Co. SrL.[1]	Costa Rica, San José	50.00	EUR	–	–
DHL In Plant Services SC México	Mexico, Teptzotlán	100.00	EUR	919	–11
DHL Information Services (Americas), Inc.	USA, Plantation	100.00	EUR	810	3,628
DHL International Antilles SARL	Martinique, Lamentin	100.00	EUR	–557	–386
DHL International Haiti S.A.	Haiti, Port-au-Prince	100.00	EUR	591	–66
DHL Logistics (Brazil) Ltda.	Brazil, São Paulo	100.00	EUR	–38,675	–24,328
DHL Management Cenam S.A.	Costa Rica, Heredia	100.00	EUR	2,279	319
DHL Metropolitan Logistics SC México	Mexico, Teptzotlán	100.00	EUR	–434	44
DHL Network Operations (USA) Corp.	USA, Plantation	100.00	EUR	–486,279	–258,063
DHL Nicaragua S.A.	Nicaragua, Managua	100.00	EUR	1,059	167

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Affiliated companies included in the consolidated financial statements

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DHL of Curacao N.V.	Dutch Antilles, Curaçao	100.00	EUR	1,187	–255
DHL Panama S.A.	Panama, Panama City	100.00	EUR	2,359	–70
DHL Regional Logistics SC México	Mexico, Teptzotlán	100.00	EUR	–2,757	–337
DHL Regional Services Inc.	USA, Plantation	100.00	EUR	1,459	973
DHL Solutions (USA), Inc.	USA, Plantation	100.00	EUR	–13,474	–4,997
DHL Specialized Services USA, Inc.	USA, Westerville	100.00	EUR	0	0
DHL St. Maarten N.V.	Dutch Antilles, Philipsburg	100.00	EUR	2,047	–70
DHL Worldwide Express (Aruba) N.V.[5]	Aruba, Oranjesta	100.00	EUR	4	0
Dimalsa Logistics Inc.	Puerto Rico, San Juan (Tacano)	100.00	EUR	1,002	103
DPWN Financing (USA) 1, LLC	USA, Wilmington	100.00	EUR	0	0
DPWN Financing (USA) 2, LLC	USA, Wilmington	100.00	EUR	0	0
DPWN Financing (USA) LP	USA, Wilmington	100.00	EUR	48	292
DPWN Holdings (USA), Inc.	USA, Columbus	100.00	EUR	4,855,378	–5,410
Exel Automocion S.A. de C.V.	Mexico, Mexico City	100.00	EUR	5,563	722
Exel Canada Ltd.	Canada, Toronto	100.00	EUR	–8,543	–6,013
Exel Chile S.A.	Chile, Santiago de Chile	99.99	EUR	1,215	149
Exel Direct Inc.	USA, Westerville	100.00	EUR	26,907	879
Exel Global Logistics do Brasil S.A.	Brazil, São Paulo	100.00	EUR	4,092	442
Exel Global Logistics Inc.	USA, Palm City	100.00	EUR	–21	–3,433
Exel Inc.	USA, Westerville	100.00	EUR	86,507	50,428
Exel Investments Inc.	USA, Wilmington	100.00	EUR	668,885	28,912
Exel Logistics Argentina S.A.	Argentina, Buenos Aires	100.00	EUR	520	139
Exel Logistics do Nordeste Ltda.	Brazil, Camacari	100.00	EUR	4,898	–817
Exel Logistics S.A. de C.V.	Mexico, Mexico City	100.00	EUR	7,286	4,879
Exel Supply Chain Services de Mexico, S.A. de C.V.	Mexico, Teptzotlán	100.00	EUR	408	–7
Exel Transportation Services Inc.	USA, Memphis	100.00	EUR	–171,769	–10,957
Exel Transportation Services Inc. (Canadian Branch)	Canada, Mississauga	100.00	EUR	377	–116
Exel Trucking Inc.	USA, Memphis	100.00	EUR	–1,266	–33
F.X. Coughlin do Brasil Ltda.	Brazil, São Paulo	100.00	EUR	–5,451	0
Freshlink Canada Ltd.	Canada, Toronto	100.00	EUR	655	109
Genesis Logistics Inc.	USA, Westerville	100.00	EUR	7,482	3,137
Giorgio Gori USA, Inc.	USA, Baltimore	60.00	EUR	4,197	2,282
Global Mail Inc.	USA, Columbus	100.00	EUR	105,347	–5,106
Gori Argentina S.A.	Argentina, Mendoza	57.00	EUR	89	–72
Gori Chile S.A.	Chile, Santiago	59.40	EUR	4,061	342
Harmony Logistics Canada Inc.	Canada, Toronto	100.00	EUR	7,215	1,911
Heartland Logistics Inc.	USA, Westerville	100.00	EUR	1,984	355
Hyperion Inmobilaria S.A. de C.V.	Mexico, Teptzotlán	100.00	EUR	2,447	141
Ibryl Inc.	Cayman Islands, George Town	100.00	EUR	–10,876	–7,424
Integracion Aduanera S.A.	Costa Rica, Barrio Tournon	51.00	EUR	460	12
ITG International Transports, Inc.	USA, Chelsea	100.00	EUR	400	25
Llano Logistics LP	USA, Westerville	100.00	EUR	5,031	439
Marias Falls Insurance Co. Ltd.	Bermuda, Hamilton	100.00	EUR	31,397	–3,762
Matrix Logistics Services Ltd.	Canada, Toronto	100.00	EUR	–369	–3
Mercury Airfreight International Inc.	USA, Avenel	100.00	EUR	585	64
Mercury Holdings Inc.	USA, Avenel	100.00	EUR	241	0
MTS Holdings LLC[1]	USA, Weston	100.00	EUR	0	0
Mail Terminal Services of California, LLC (CA) (SFO & LAC)[1]	USA, Weston	100.00	EUR	–	–
Mail Terminal Services of Illinois, LLC (IL) (ORD)[1]	USA, Weston	100.00	EUR	–	–
Mail Terminal Services of New Jersey, LLC (NJ) (EWR)[1]	USA, Weston	100.00	EUR	–	–
Mail Terminal Services, LLC (DE) Series[1]	USA, Weston	100.00	EUR	–	–
Polar Air Cargo Worldwide Inc.	USA, Purchase	49.00	EUR	8,863	596
Relay Logistics Inc.	Canada, Toronto	100.00	EUR	12	0
Saturn Integrated Logistics Inc.	Canada, Toronto	100.00	EUR	181	179
SCM Supply Chain Management Inc.	Canada, Toronto	100.00	EUR	–344	–699
Sky Courier, Inc.	USA, Sterling	100.00	EUR	4,855	1,400

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SmartMail LLC[4]	USA, Delaware	100.00		–	–
South Bay Terminals LLC	USA, Westerville	100.00	EUR	–4,503	–2,844
Summit Logistics Inc. (Canada)	Canada, Toronto	100.00	EUR	11,036	1,150
Tafinor S.A.[5]	Uruguay, Montevideo	100.00	EUR	–26	0
Tibbett & Britten Group Canada Inc.	Canada, Toronto	100.00	EUR	13,588	5
Tibbett & Britten Group North America, LLC	USA, Westerville	99.93	EUR	–21,055	4,962
TomAir LLC	USA, Dover	100.00	EUR	4,824	–400
Tracker Logistics Inc.	Canada, Toronto	100.00	EUR	1,372	165
Transcare Supply Chain Management Inc.	Canada, Toronto	100.00	EUR	353	52
Transguard Insurance Ltd.	Bermuda, Bedford	100.00	EUR	653	26
Unidock's Assessoria e Logistica de Materiais Ltda.	Brazil, Barueri	100.00	EUR	27,674	5,907
Vensecar Internacional C.A. SUCURSAL Colombia	Colombia, Bogotá	100.00	EUR	225	63
Vensecar Internacional, C.A.	Venezuela, Maiquitia	100.00	EUR	15,930	4,710
Venture Logistics S.A. de C.V.	Mexico, Mexico City	100.00	EUR	1,875	611
Western Distribution Centers Alberta Inc.	Canada, Toronto	100.00	EUR	860	0
Williams Lea (Brazil) Assessoria Em Solucoes Empresariais Ltda.	Brazil, Rio de Janeiro	95.96	EUR	259	320
Williams Lea (Canada), Inc.	Canada, Montréal	95.96	EUR	222	54
Williams Lea Argentina S.A.	Argentina, Buenos Aires	95.96	EUR	–213	–106
Williams Lea Holdings, Inc.	USA, Chicago	95.96	EUR	25,670	0
Williams Lea Inc.	USA, Chicago	95.96	EUR	71,720	527
Williams Lea México, S. de R.L. de C.V.	Mexico, Mexico City	95.96	EUR	–269	–101
Wilmington Air Park, LLC	USA, Plantation	100.00	EUR	–225,417	–15,844
Zenith Logistics Inc.	Canada, Toronto	100.00	EUR	1,711	–10
Asia Pacific					
Air Express International (Malaysia) Sdn. Bhd.	Malaysia, Puchong	100.00	EUR	1,885	141
ASG (Australia) Pty. Ltd.	Australia, Tullamarine Victoria	100.00	EUR	28	0
Asia Overnight (Thailand) Ltd.	Thailand, Bangkok	48.71	EUR	498	63
Asia-Pacific Information Services Sdn. Bhd.	Malaysia, Puchong	100.00	EUR	16,305	1,400
Beijing Sinotrans Express Co. Ltd.	China, Beijing	51.67	EUR	–1,912	–2,172
Blue Dart Aviation Ltd.[6]	India, Chennai	39.71	EUR	4,486	–105
Blue Dart Express Ltd.	India, Mumbai	81.03	EUR	76,512	7,553
Capitol AEI Pte. Ltd.	Sri Lanka, Colombo	70.00	EUR	330	–612
Danzas (China) Ltd.	China, Hongkong	100.00	EUR	4,433	3,085
DANZAS AEI (HK) Ltd.[5]	China, Hongkong	100.00	EUR	64	–12
Danzas AEI Logistics (Shanghai) Co. Ltd.	China, Shanghai	100.00	EUR	3,200	472
DANZAS Freight (India) Pvt Ltd.	India, Mumbai	100.00	EUR	67	0
DANZAS Intercontinental Inc.	Philippines, Manila	40.00	EUR	–1,154	0
Danzas Pty. Ltd.	Australia, Melborne	100.00	EUR	3,193	0
Danzas Zhong Fu Freight Agency Co. Ltd.	China, Shanghai	49.00	EUR	61,539	4,352
DANZASMAL Domestic Logistics Services Sdn. Bhd.	Malaysia, Kuala Lumpur	49.00	EUR	1,034	422
Deutsche Post Global Mail (Australia) Pty. Ltd.	Australia, Mascot	100.00	EUR	–6,551	714
DHL (Chengdu) Service Ltd.	China, Chengdu	100.00	EUR	566	–120
DHL Air Freight Forwarder Sdn. Bhd.	Malaysia, Kuala Lumpur	48.85	EUR	1,831	300
DHL Asia Pacific Shared Services Sdn. Bhd.	Malaysia, Kuala Lumpur	100.00	EUR	–3,118	189
DHL Aviation (Asia Pacific) Pte. Ltd.	Singapore, Singapore	100.00	EUR	1,258	0
DHL Aviation (Hong Kong) Ltd.	China, Hongkong	75.00	EUR	8,137	1,014
DHL Aviation (Philippines), Inc.	Philippines, Makati City	100.00	EUR	0	15
DHL Aviation Services (Shanghai) Co. Ltd.	China, Shanghai	100.00	EUR	4,806	–258
DHL Danzas Air & Ocean (Cambodia) Ltd.	Cambodia, Phnom Penh	100.00	EUR	24	0
DHL Exel Logistics (Malaysia) Sdn. Bhd.	Malaysia, Shah Alam & Penang Selangor	100.00	EUR	1,920	163
DHL Exel Supply Chain (Bangladesh) Pte. Ltd.	Bangladesh, Dhaka	100.00	EUR	26	51
DHL Exel Supply Chain (Korea) Ltd.	South Korea, Seoul	100.00	EUR	2,284	–974
DHL Exel Supply Chain (Taiwan) Co. Ltd.	Taiwan, Taipeh	100.00	EUR	609	–146
DHL Exel Supply Chain Management Phils., Inc.	Philippines, Manila	100.00	EUR	1,061	167

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Affiliated companies included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
DHL Exel Supply Chain Phils., Inc.	Philippines, Manila	100.00	EUR	1,218	–924
DHL Express (Australia) Pty. Ltd.	Australia, Sydney	100.00	EUR	14,929	3,463
DHL Express (Brunei) Sdn. Bhd.	Brunei, Brunei Dar	90.00	EUR	463	236
DHL Express (Cambodia) Ltd.	Cambodia, Phnom Penh	100.00	EUR	192	100
DHL Express (Fiji) Ltd.	Fiji, Suva	100.00	EUR	473	56
DHL Express (Hong Kong) Ltd.	China, Hongkong	100.00	EUR	18,961	2,609
DHL Express (India) Pte. Ltd.	India, Mumbai	100.00	EUR	19,625	3,356
DHL Express (Macau) Ltd.	Macau, Macau	100.00	EUR	400	75
DHL Express (Malaysia) Sdn. Bhd.	Malaysia, Kuala Lumpur	70.00	EUR	8,814	2,186
DHL Express (New Zealand) Ltd.	New Zealand, Auckland	100.00	EUR	4,456	1,343
DHL Express (Papua New Guinea) Ltd.	Papua New Guinea, Port Moresby	100.00	EUR	323	–28
DHL Express (Philippines) Cor.	Philippines, Makati City	100.00	EUR	5,925	–926
DHL Express (Singapore) Pte. Ltd.	Singapore, Singapore	100.00	EUR	121,745	927
DHL Express (Taiwan) Corp.	Taiwan, Taipeh	100.00	EUR	9,429	2,842
DHL Express (Thailand) Ltd.	Thailand, Bangkok	49.00	EUR	3,231	188
DHL Express International (Thailand) Ltd.	Thailand, Bangkok	100.00	EUR	5,418	1,157
DHL Express Lda.	East Timor, Dili	100.00	EUR	342	10
DHL Express Nepal Pvt Ltd.	Nepal, Kathmandu	100.00	EUR	507	379
DHL Global Forwarding (Philippines), Inc.	Philippines, Manila	100.00	EUR	2,169	590
DHL Global Forwarding (Australia) Pty. Ltd.	Australia, Tullamarine	100.00	EUR	62,123	10,792
DHL Global Forwarding (Fiji) Ltd.	Fiji, Lautoka	100.00	EUR	300	0
DHL Global Forwarding (Hong Kong) Ltd.	China, Hongkong	100.00	EUR	–67,325	3,708
DHL Global Forwarding (Korea) Ltd.	South Korea, Seoul	100.00	EUR	11,740	2,551
DHL Global Forwarding (Kuwait) Company WLL	Kuwait, Safat	49.00	EUR	4,549	3,317
DHL Global Forwarding (Malaysia) Sdn. Bhd.	Malaysia, Kuala Lumpur	100.00	EUR	15,272	2,921
DHL Global Forwarding (New Zealand) Ltd.	New Zealand, Auckland	100.00	EUR	14,056	3,398
DHL Global Forwarding (PNG) Ltd.	Papua New Guinea, Port Moresby	100.00	EUR	–88	0
DHL Global Forwarding (Singapore) Pte. Ltd. Taiwan Branch	Taiwan, Taipeh	100.00	EUR	2,290	2,156
DHL Global Forwarding (Singapore) Pte. Ltd.	Singapore, Singapore	100.00	EUR	57,253	19,322
DHL Global Forwarding (Thailand) Ltd.	Thailand, Bangkok	100.00	EUR	21,632	3,867
DHL Global Forwarding (Vietnam) Corporation	Vietnam, Ho Chi Minh City	49.00	EUR	1,476	1,283
DHL Global Forwarding Caledonie	New Caledonia, Noumea	100.00	EUR	2,923	397
DHL Global Forwarding Japan K.K.	Japan, Tokyo	100.00	EUR	19,168	3,387
DHL Global Forwarding Management (Asia Pacific) Pte. Ltd.	Singapore, Singapore	100.00	EUR	175,159	31,777
DHL Global Forwarding Polynesie SARL	French Polynesia, Faaa	100.00	EUR	3,511	494
DHL Global Mail (Japan) K.K.	Japan, Tokyo	100.00	EUR	–526	–124
DHL Global Mail (Singapore) Pte. Ltd.	Singapore, Singapore	100.00	EUR	401	227
DHL Holdings (New Zealand) Ltd.	New Zealand, Auckland	100.00	EUR	11,457	2,706
DHL Incheon Hub Ltd. (Korea)	South Korea, Incheon	100.00	EUR	5,252	1,025
DHL International Guinea Ecuatorial SrL.	Guam, Malabo	100.00	EUR	–216	92
DHL International Transportation Co. WLL[6]	Kuwait, Safat	0.00	EUR	141	0
DHL ISC (Hong Kong) Ltd.	China, Hongkong	100.00	EUR	4,064	2,659
DHL Japan Inc.	Japan, Tokyo	100.00	EUR	47,505	4,150
DHL Keells Pte. Ltd.	Sri Lanka, Colombo	50.00	EUR	2,645	242
DHL Korea Ltd.	South Korea, Seoul	95.00	EUR	25,681	2,463
DHL Lao Ltd.	Laos, Skihottabong	100.00	EUR	334	133
DHL Lemuir Logistics Pte. Ltd.	India, Mumbai	76.00	EUR	53,120	6,943
DHL Logistics (Beijing) Co. Ltd.	China, Beijing	100.00	EUR	–11,051	–3,647
DHL Logistics (Cambodia) Ltd.	Cambodia, Phnom Penh	100.00	EUR	1,137	267
DHL Logistics (China) Co. Ltd.	China, Beijing	100.00	EUR	8,941	7,367
DHL Pakistan Pte. Ltd.	Pakistan, Karachi	100.00	EUR	4,427	552
DHL Project & Chartering (China) Ltd.	China, Hongkong	100.00	EUR	12	–1
DHL Properties (M) Sdn. Bhd.	Malaysia, Shah Alam & Penang Selangor	100.00	EUR	4,414	517
DHL SCM K.K.	Japan, Saitama	100.00	EUR	–642	–273
DHL Sinotrans Bonded Warehouse (Beijing) Co. Ltd.	China, Beijing	51.68	EUR	717	381

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DHL Sinotrans International Air Courier Ltd.	China, Beijing	51.68	EUR	153,571	49,462
DHL Supply Chain (Australia) Pty. Ltd.	Australia, Mascot	100.00	EUR	10,180	2,776
DHL Supply Chain (Hong Kong) Ltd.	China, Hongkong	100.00	EUR	52,243	16,912
DHL Supply Chain (Malaysia) Sdn. Bhd.	Malaysia, Shah Alam & Penang Selangor	100.00	EUR	5,856	–130
DHL Supply Chain (New Zealand) Ltd.	New Zealand, Auckland	100.00	EUR	23,881	2,374
DHL Supply Chain (Vietnam) Ltd.	Vietnam, Ho Chi Minh City	100.00	EUR	153	307
DHL Supply Chain Ltd.	Japan, Shinagawa	100.00	EUR	–20,567	1,478
DHL Supply Chain Services K.K.	Japan, Shinagawa	100.00	EUR	705	56
DHL Supply Chain Singapore Pte. Ltd.	Singapore, Singapore	100.00	EUR	39,149	–677
DHL Worldwide Express (Bangladesh) Pte. Ltd.	Bangladesh, Dhaka	90.00	EUR	647	668
DHL-VNPT Express Ltd.	Vietnam, Ho Chi Minh City	51.00	EUR	2,009	–239
Dongguan DHL Supply Chain Co. Ltd.	China, Dongguan	100.00	EUR	310	5
Exel (Australia) Pty. Ltd.	Australia, Victoria	100.00	EUR	4,546	0
Exel Consolidation Services Ltd.	China, Hongkong	100.00	EUR	8,804	–4,103
Exel Distribution (Thailand) Ltd.	Thailand, Nonthaburi	100.00	EUR	16,354	1,785
Exel Freight Forwarding (Shenzhen) Co. Ltd.	China, Shenzhen	100.00	EUR	1,054	180
Exel Japan (Finance) Ltd.	Japan, Shinagawa	100.00	EUR	9,968	170
Exel Logistics (Shanghai) Co. Ltd.	China, Shanghai	100.00	EUR	–1,514	–1,951
Exel Logistics far East Ltd.	Thailand, Bangkok	49.00	EUR	4,624	1,606
Exel Logistics Services (M) Sdn. Bhd.	Malaysia, Shah Alam & Penang Selangor	100.00	EUR	24	0
Exel Logistics Services Lanka Pte. Ltd.	Sri Lanka, Colombo	100.00	EUR	461	405
Exel Pakistan Pte. Ltd.	Pakistan, Karachi	60.00	EUR	1,092	361
Exel Taiwan Logistics Co. Ltd.	Taiwan, Taipeh	100.00	EUR	–257	0
Exel Thailand Ltd.[5]	Thailand, Bangkok	100.00	EUR	726	0
Gori Australia Pty. Ltd.	Australia, Brighton-Le-Sands	60.00	EUR	2,529	1,389
MSAS Global Logistics (Far East) Ltd.	China, Hongkong	100.00	EUR	1,149	6,218
PT. Cargorama Multi Servisindo	Indonesia, Jakarta	100.00	EUR	25	0
PT. Birotika Semesta[6]	Indonesia, Jakarta	0.00	EUR	816	1,170
PT. Danzas Sarana Perkasa	Indonesia, Jakarta	100.00	EUR	–211	99
PT. DHL Exel Supply Chain Indonesia	Indonesia, Jakarta	100.00	EUR	–2,622	–254
PT. DHL Global Forwarding Indonesia	Indonesia, Jakarta	100.00	EUR	5,424	1,910
Shanghai Danzas Freight Agency Co. Ltd.	China, Shanghai	100.00	EUR	975	45
Shanghai Quanyi Express Ltd.	China, Shanghai	51.67	EUR	1,975	142
Shanghai Quanyi Express Company Ltd.	China, Shanghai	51.67	EUR	1,863	0
Singha Sarn Co. Ltd.	Thailand, Bangkok	100.00	EUR	–14	–5
Star Broker (Hong Kong) Ltd.	China, Hongkong	100.00	EUR	41	–1
Tibbett & Britten Asia Pte. Ltd.	Singapore, Singapore	100.00	EUR	–763	–22
Trade Clippers Cargo Ltd.	Bangladesh, Dhaka	85.00	EUR	94	98
Williams Lea Asia Ltd.[1]	China, Hongkong	95.96	EUR	2,258	471
MDF Australia Pty. Ltd. t/a CREATIS[1]	Australia, Sydney	95.96	EUR	–	–
Williams Lea Pty. Ltd.[1]	Australia, Sydney	95.96	EUR	–	–
Williams Lea (Beijing) Ltd.[1]	China, Beijing	95.96	EUR	–	–
Williams Lea (Hong Kong) Ltd.[1]	China, Hongkong	95.96	EUR	–	–
Williams Lea Japan Ltd.[1]	Japan, Tokyo	95.96	EUR	–	–
Williams Lea Pte. Ltd.[1]	Singapore, Singapore	95.96	EUR	–	–
Williams Lea India Pte. Ltd.	India, New Delhi	62.85	EUR	1,636	425
Other Regions					
Buddingtrade 33 Pty. Ltd.	South Africa, Benoni	100.00	EUR	2,971	512
Danzas Abu Dhabi LLC	United Arab Emirates, Abu Dhabi	49.00	EUR	3,416	1,119
Danzas Bahrain WLL	Bahrain, Manama	40.00	EUR	2,277	1,911
DHL (Ghana) Ltd.	Ghana, Accra	100.00	EUR	1,588	–154
DHL (Israel) Ltd.	Israel, Airport City	100.00	EUR	7,656	2,079
DHL (Mauritius) Ltd.	Mauritius, Port Louis	100.00	EUR	1,238	403
DHL (Namibia) Pty. Ltd.	Namibia, Windhuk	100.00	EUR	1,054	469
DHL (Tanzania) Ltd.	Tanzania, Daressalam	100.00	EUR	871	296

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DHL Air Freight Forwarder (Egypt) WLL	Egypt, Cairo	100.00	EUR	0	0
DHL Aviation (Nigeria) Ltd.	Nigeria, Lagos	100.00	EUR	141	18
DHL Aviation Pte. Ltd.	Zimbabwe, Harare	100.00	EUR	0	0
DHL Aviation Pty. Ltd.	South Africa, Johannesburg	100.00	EUR	4,067	652
DHL Aviation Kenya Ltd.	Kenya, Nairobi	100.00	EUR	16	0
DHL Aviation Maroc S.A.	Morocco, Casablanca	100.00	EUR	1,676	722
DHL Aviation Other Regions B.S.C. (C)	Bahrain, Manama	100.00	EUR	7,261	6,972
DHL Burkina Faso SARL	Burkina Faso, Ouagadougou	100.00	EUR	658	135
DHL Egypt WLL	Egypt, Cairo	100.00	EUR	208	–58
DHL Exel Supply Chain Kenya Ltd.	Kenya, Nairobi	100.00	EUR	4,566	1,002
DHL Exel Supply Chain Tanzania Ltd.	Tanzania, Daressalam	100.00	EUR	–113	16
DHL Express Maroc S.A.	Morocco, Casablanca	100.00	EUR	–165	–158
DHL Global Forwarding & Co. LLC	Oman, Muscat	40.00	EUR	3,614	2,160
DHL Global Forwarding (Angola) – Comércio e Transitários, Ltda.	Angola, Luanda	99.00	EUR	–2,607	–3,001
DHL Global Forwarding (Cameroon)	Cameroon, Douala	62.00	EUR	0	0
DHL Global Forwarding (Kenya) Ltd.	Kenya, Nairobi	100.00	EUR	2,041	418
DHL Global Forwarding (Uganda) Ltd.	Uganda, Kampala	100.00	EUR	284	144
DHL Global Forwarding Côte d'Ivoire S.A.	Ivory Coast, Abidjan	100.00	EUR	23	–15
DHL Global Forwarding Gabon S.A.	Gabon, Libreville	100.00	EUR	–248	–132
DHL Global Forwarding Lebanon S.A.L	Lebanon, Beirut	100.00	EUR	1,298	754
DHL Global Forwarding Nigeria Ltd.	Nigeria, Lagos	100.00	EUR	848	108
DHL Global Forwarding Qatar LLC	Qatar, Doha	49.00	EUR	262	183
DHL Global Forwarding S.A.E.	Egypt, Cairo	100.00	EUR	4,285	1,768
DHL Global Forwarding SA Pty. Ltd.	South Africa, Boksburg	74.99	EUR	18,441	1,953
DHL Global Mail OOO	Russia, Moscow	100.00	EUR	–366	–398
DHL International (Albania) Ltd.	Albania, Tirana	100.00	EUR	829	263
DHL International (Algeria) SARL	Algeria, Algiers	100.00	EUR	1,583	799
DHL International (Bahrain) WLL	Bahrain, Manama	49.00	EUR	46	0
DHL International (Congo) SPRL	Congo, Kinshasa	100.00	EUR	2,219	507
DHL International (Gambia) Ltd.	Gambia, Kanifing	100.00	EUR	125	36
DHL International (Liberia) Ltd.	Liberia, Monrovia	100.00	EUR	–430	–83
DHL International Pty. Ltd.	South Africa, Isando	74.99	EUR	14,093	2,351
DHL International (Pvt) Ltd.	Zimbabwe, Harare	100.00	EUR	1,061	–976
DHL International (SL) Ltd.	Sierra Leone, Freetown	100.00	EUR	664	100
DHL International (Uganda) Ltd.	Uganda, Kampala	100.00	EUR	717	156
DHL International Benin SARL	Benin, Cotonou	100.00	EUR	564	131
DHL International Botswana Pty. Ltd.	Botswana, Gaborone	100.00	EUR	158	59
DHL International BSC ©	Bahrain, Manama	100.00	EUR	1,416	1,068
DHL International Cameroon SARL	Cameroon, Douala	100.00	EUR	1,137	–258
DHL International Centrafrique SARL	Central African Republic, Bangui	100.00	EUR	247	54
DHL International Chad SARL	Chad, Ndjamena	100.00	EUR	–63	99
DHL International Congo SARL	Congo, Kinshasa	100.00	EUR	3,413	1,037
DHL International Côte d'Ivoire SARL	Ivory Coast, Abidjan	100.00	EUR	1,026	314
DHL International Gabon SARL	Gabon, Libreville	90.00	EUR	–1,292	–143
DHL International Guinee SARL	Guinea, Conakry	100.00	EUR	685	28
DHL International Iran PJSC	Iran, Tehran	49.00	EUR	2,727	2,103
DHL International Kazakhstan LLP	Kazakhstan, Almaty	100.00	EUR	2,973	1,771
DHL International Ltd.	Malta, Luqa	100.00	EUR	342	–28
DHL International Madagascar S.A.	Madagascar, Antananarivo	100.00	EUR	895	–185
DHL International Malawi Ltd.	Malawi, Blantyre	100.00	EUR	388	11
DHL International Mali SARL	Mali, Bamako	100.00	EUR	476	198
DHL International Mauritanie SARL	Mauretania, Tevragh-Zeina Nouakchot	100.00	EUR	216	–63
DHL International Niger SARL	Niger, Niamey	100.00	EUR	438	35
DHL International Nigeria Ltd.	Nigeria, Lagos	100.00	EUR	2,520	–587
DHL International Reunion SARL	Réunion, Saint Maria	100.00	EUR	–203	–382
DHL International Togo SARL	Togo, Lomé	100.00	EUR	189	119

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DHL International Zambia Ltd.	Zambia, Lusaka	100.00	EUR	–716	–1,159
DHL International ZAO, Russia	Russia, Moscow	100.00	EUR	43,050	32,489
DHL International-Sarajevo d.o.o.	Bosnia and Herzegovina, Sarajevo	100.00	EUR	526	–46
DHL Lesotho (Proprietary) Ltd.	Lesotho, Maseru	100.00	EUR	360	92
DHL Logistics (Kazakhstan) LLP	Kazakhstan, Aksai	100.00	EUR	1,161	681
DHL Logistics Ghana Ltd.	Ghana, Tema	100.00	EUR	398	452
DHL Logistics Morocco S.A.	Morocco, Casablanca	100.00	EUR	39	–241
DHL Logistics OOO	Russia, Chimki	100.00	EUR	–951	–955
DHL Mozambique Lda.	Mozambique, Maputo	100.00	EUR	1,855	–233
DHL Operations BV Jordan Services with Limited Liability	Jordan, Amman	100.00	EUR	246	204
DHL Qatar Ltd.	Qatar, Doha	49.00	EUR	–598	0
DHL Regional Services (Indian Ocean) Ltd.	Mauritius, Port Louis	100.00	EUR	1	0
DHL Regional Services Ltd.	Nigeria, Lagos	100.00	EUR	106	0
DHL Supply Chain (South Africa) Pty. Ltd.	South Africa, Germiston	100.00	EUR	–42,192	–6,284
DHL Swaziland Pty. Ltd.	Swasiland, Mbabane	100.00	EUR	254	85
DHL Worldwide Express & Company LLC	Oman, Ruwi	70.00	EUR	317	188
DHL Worldwide Express (Abu Dhabi) LLC	United Arab Emirates, Abu Dhabi	49.00	EUR	57	0
DHL Worldwide Express (Dubai) LLC	United Arab Emirates, Dubai	49.00	EUR	0	0
DHL Worldwide Express (Sharjah) LLC	United Arab Emirates, Sharjah	49.00	EUR	95	0
DHL Worldwide Express Cargo LLC	United Arab Emirates, Dubai	49.00	EUR	57	0
DHL Worldwide Express Ethiopia Plc.	Ethiopia, Addis Abeba	100.00	EUR	43	–534
DHL Worldwide Express Kenya Ltd.	Kenya, Nairobi	56.44	EUR	3,690	330
Document Handling (East Africa) Ltd.	Kenya, Nairobi	51.00	EUR	55	483
Exel (Nigeria) Ltd.	Nigeria, Lagos	100.00	EUR	–171	0
Exel Contract Logistics Nigeria Ltd.	Nigeria, Ikeja	100.00	EUR	791	141
Exel Middle East (Fze)	United Arab Emirates, Dubai	100.00	EUR	128	2,189
Exel Supply Chain Services (South Africa) Pty. Ltd.	South Africa, Johannesburg	100.00	EUR	15,666	–53
F.C. (Flying Cargo) International Transportation Ltd.	Israel, Lod	100.00	EUR	11,943	2,465
Ghanem Clearing & Forwarding Establishment[6]	United Arab Emirates, Abu Dhabi	0.00	EUR	0	0
Giorgio Gori International Freight Forwards Pty. Ltd.	South Africa, Ferndale	60.00	EUR	239	92
Hull, Blyth (Angola) Ltd. (Angolan branch)[1]	Angola, Luanda	100.00	EUR	8,090	1,287
Hull Blyth Angola Viagens e Turismo Lda.[1]	Angola, Luanda	100.00	EUR	–	–
Kinesis Logistics Pty. Ltd.	South Africa, Germiston	100.00	EUR	–314	0
LLC Williams Lea	Russia, Moscow	96.92	EUR	–611	–354
Misr Freight SARL	Egypt, Cairo	100.00	EUR	335	–28
Sherkate Haml-oNaghl Sarie DHL Kish	Iran, Tehran	100.00	EUR	0	–7
SNAS Lebanon SARL	Lebanon, Beirut	45.00	EUR	425	219
SNAS Trading and Contracting[6]	Saudi Arabia, Riyadh	0.00	EUR	0	0
SSA Regional Services Pty. Ltd.	South Africa, Johannesburg	100.00	EUR	1,039	103
Thompson Logistic Services Ltd.	Kenya, Nairobi	50.25	EUR	–319	167
Tibbett & Britten (Tanzania Branch)	Kenya, Nairobi	100.00	EUR	187	129
Trans Care Fashion SARL (Morocco)[5]	Morocco, Casablanca	100.00	EUR	–528	0
Ukhozi Logistics Pty. Ltd.	South Africa, Johannesburg	100.00	EUR	97	17
Uniauto-Organizacoes Technicas e Industriasis SARL	Angola, Luanda	98.93	EUR	14	0

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Affiliated companies not included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Europe					
4C Trademark Management Ltd.[5]	United Kingdom, London	52.31	GBP	0	0
4CX Hellas S.A.[4]	Greece, Attiki	52.31		–	–
4CX Import and Export S.A.[4]	Turkey, Istanbul	52.31		–	–
Airborne Express (Netherlands) B.V.[4]	Netherlands, Schiphol	100.00		–	–
Airborne Express i Sigtuna AB[4]	Sweden, Stockholm	100.00		–	–
Alistair McIntosh Trustee Co. Ltd.[4]	United Kingdom, London	63.33		–	–
Arbuckle Smith Investments Ltd. (Scotland)[5]	United Kingdom, Glasgow	100.00	GBP	651	0
Arbuckle, Smith & Company Ltd.	United Kingdom, Glasgow	100.00	GBP	5,298	0
ASG Leasing HB[4]	Sweden, Stockholm	100.00		–	–
Bernard Brook Transport (Elland) Ltd.	United Kingdom, Bracknell	100.00	GBP	887	0
Beteiligungsgesellschaft Privatstraße GVZ Eifeltor GbR	Germany, Grafschaft-Holzweiler	53.54	EUR	0	0
Brantford International Ltd.[5]	United Kingdom, Hounslow	100.00	GBP	0	0
Calayan Cargo International (BVI) Ltd.[4], [5]	United Kingdom, Tortola	100.00		–	–
Cassin Air Transport (Cork) Ltd.[4], [5]	Ireland, Dublin	100.00		–	–
Cassin International Distribution Ltd.[4], [5]	Ireland, Dublin	100.00		–	–
Cassin Partners Ltd.[4], [5]	Ireland, Dublin	100.00		–	–
Changescent Ltd.[4]	United Kingdom, London	95.96		–	–
Danzas Euronet GmbH[4]	Germany, Düsseldorf	100.00		–	–
Danzas Logistics Ltd.[4], [5]	United Kingdom, Staines	100.00		–	–
Dartford Securities Ltd.	United Kingdom, Bracknell	100.00	GBP	0	0
DEGEMOLTO Grundstücksverwaltungsgesellschaft mbH & Co. Immobilien-Vermietungs KG[4]	Germany, Meinerzhagen	100.00		–	–
Deutsche Post Grundstücks-Vermietungsgesellschaft beta mbH	Germany, Bonn	100.00	EUR	26	0
Deutsche Post Immobilienentwicklung Grundstücks-gesellschaft mbH & Co. Objekt Weißenhorn KG	Germany, Bonn	100.00	EUR	128	26
Deutsche Post Pension e.V.[4]	Germany, Bonn	100.00		–	–
Deutsche Post Pensions-Treuhand GmbH & Co. KG	Germany, Bonn	100.00	EUR	0	0
Deutsche Post Verwaltungs Objekt GmbH[4]	Germany, Bonn	100.00		–	–
DHL Employee Benefit Fund ASBL/VZW[4]	Belgium, Diegem	100.00		–	–
DHL Exel Supply Chain Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
DHL Global Forwarding Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
DHL Pensions Investment Fund Ltd.[4], [5]	United Kingdom, Bedford	100.00		–	–
DHL Trustees Ltd.[4], [5]	United Kingdom, Bedford	100.00		–	–
DHL UK Pensions Trustees Ltd.[4]	United Kingdom, Hounslow	100.00		–	–
Elan International (Ireland) Ltd.[4], [5]	Ireland, Dublin	100.00		–	–
Elliott Slone Ltd.[4]	United Kingdom, London	95.96		–	–
Excel Logistics Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Exel (Northern Ireland) Ltd.[5]	United Kingdom, Mallusk	100.00	GBP	511	0
Exel Express Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Exel Holdings (Russia) Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Exel Logistics (Ireland) Ltd.[4], [5]	Ireland, Dublin	100.00		–	–
Exel Nominee No 2 Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Exel Sand and Ballast Co. Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	189	0
Exel Secretarial Services Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Exel Share Scheme Trustee Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Exel Taskforce Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	–48	0
Fancode Ltd.[4]	United Kingdom, London	95.96		–	–
Fashionflow Ltd.	United Kingdom, Bracknell	100.00	GBP	0	0
forum gelb GmbH	Germany, Bonn	100.00	EUR	25	8
Guardian Card Systems Ltd.[4]	United Kingdom, London	95.96		–	–
Higgs Air Espana S.A. (D)[4]	Spain, Barcelona	100.00		–	–
Hi-Tech Logistics Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	639	0
Ich-zieh-um.de GmbH	Germany, Bonn	100.00	EUR	112	0
Industrial & Marine Engineering Co. of Nigeria Ltd.[4]	United Kingdom, London	100.00		–	–
DHL Systems Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0

Affiliated companies not included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
International Garment Services Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	142	0
it4logistics AG[2]	Germany, Potsdam	75.10	EUR	82	16
KXC (EXEL) GP INVESTMENT LTD.[4]	United Kingdom, Bracknell	100.00		–	–
KXC (EXEL) LP INVESTMENT LTD.[4]	United Kingdom, Bracknell	100.00		–	–
Letteralter Ltd.[4]	United Kingdom, London	63.48		–	–
Mail Service GmbH Hannover	Germany, Hanover	100.00	EUR	25	4
Mail Service GmbH Köln	Germany, Cologne	100.00	EUR	25	28
Mercury Airfreight Holdings Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	500	0
Mexicoblade Ltd.[4]	United Kingdom, London	95.96		–	–
Millsdale	United Kingdom, Bracknell	100.00	GBP	0	40
MSAS Cassin International Ltd.[4, 5]	Ireland, Dublin	100.00		–	–
MSAS Hi-Tech Logistics Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	–112	0
MSAS Project Services Ltd.	United Kingdom, Bracknell	100.00	GBP	0	406
National Publishing Ltd.[4]	United Kingdom, London	95.96		–	–
Neptune Logistics Ltd.[4, 5]	Ireland, Dublin	100.00		–	–
Newsround International Airfreight Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	2	0
NFC International Ltd.	United Kingdom, Bracknell	100.00	GBP	0	0
NFC Investments Ltd.	United Kingdom, Bracknell	100.00	GBP	1	0
Ocean (BFL) Ltd.	United Kingdom, Bracknell	100.00	GBP	0	0
Ocean Group Share Scheme Trustee Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Oceanair International Ltd.	United Kingdom, Bracknell	100.00	GBP	0	1,444
Outrack Credit Ireland Ltd.[4, 5]	Ireland, Dublin	100.00		–	–
Power Europe Development No. 2 Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Print to Post Ltd.[4]	United Kingdom, London	66.15		–	–
SCI Paris – Le Havre[4]	France, Roissy-en-France	100.00		–	–
SGS Holding AB[4, 5]	Sweden, Stockholm	100.00		–	–
Siegfried Vögele Institut (SVI) – Internationale Gesellschaft für Dialogmarketing mbH	Germany, Koenigstein	100.00	EUR	50	18
Springboard Creative Solutions Ltd.[4]	United Kingdom, London	63.48		–	–
SW Post Beheer B.V.[4]	Netherlands, Utrecht	51.00		–	–
Tankclean (Ireland) Ltd.[4, 5]	Ireland, Dublin	100.00		–	–
Tankfreight Ltd.	United Kingdom, Bracknell	100.00	GBP	2	0
The Stationery Office Bookshop Ltd.[4]	United Kingdom, London	63.48		–	–
The Stationery Office Pension Trustees Ltd.[4]	United Kingdom, London	63.48		–	–
The Stationery Office Trustees Ltd.[4]	United Kingdom, London	63.48		–	–
Tibbett & Britten (N.I.) Ltd.[5]	United Kingdom, Ballyclare	100.00	GBP	–5	0
Tibbett & Britten Applied Ltd.	United Kingdom, Bracknell	100.00	GBP	0	2,387
Tibbett & Britten Automotive Assets Ltd.[4]	United Kingdom, Bracknell	100.00		–	–
Tibbett & Britten Consumer Group Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Tibbett & Britten Consumer Ltd.	United Kingdom, Bracknell	100.00	GBP	10	0
Tibbett & Britten Dairy Logistics Sp. z o.o.	Poland, Warsaw	100.00		–	–
Tibbett & Britten Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	0	0
Tibbett & Britten Pension Trust Ltd.	United Kingdom, Bracknell	100.00	GBP	0	0
Tibbett & Britten Quest Trustees Ltd.	United Kingdom, Bracknell	100.00	GBP	0	0
Track One Logistics Ltd.[5]	United Kingdom, Bracknell	100.00	GBP	–92	0
Transcare Gulf Logistics International Ltd.[4, 5]	United Kingdom, Bedford	100.00		–	–
Trucks and Child Safety Ltd.[5]	United Kingdom, Bedford	100.00	GBP	100	0
TSO Content Solutions Ltd.[4]	United Kingdom, Norwich	63.48		–	–
TSS Translink Shipping Services Ltd.[4, 5]	Ireland, Dublin	100.00		–	–
Unitrans Deutschland Gesellschaft für Terminverkehre mbH[4]	Germany, Düsseldorf	65.39		–	–
Vetchlane Ltd.[4]	Ireland, Dublin	100.00		–	–
VZN Konrad-Adenauer-Platz K.d.ö.R. & Co. KG[4]	Germany, Düsseldorf	100.00		–	–
Williams Lea (No. 1) Ltd.[4]	United Kingdom, London	95.96		–	–
Williams Lea (US Acquisitions) Ltd.[4]	United Kingdom, London	95.96		–	–
Williams Lea Business Forms Ltd.[4]	United Kingdom, London	95.96		–	–

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Affiliated companies not included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Williams Lea Communications Ltd.[4]	United Kingdom, London	95.96		–	–
Williams Lea Consulting Ltd.[4]	United Kingdom, London	95.96		–	–
Williams Lea Group Quest Trustees Ltd.[4]	United Kingdom, London	95.96		–	–
Williams Lea Group Trustees Ltd.[4]	United Kingdom, London	95.96		–	–
Williams Lea International Ltd.[4]	United Kingdom, London	95.96		–	–
Williams Lea Research Ltd.[4]	United Kingdom, London	95.96		–	–
Wombleton	Ireland, Dublin	100.00	EUR	–	–26
Americas					
1012244 Ontario Inc.[4]	Canada, Toronto	100.00		–	–
4CX Inc.[4]	USA, Wilmington	52.31		–	–
Advance Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	–89	0
Arcadian Guernsey Ltd.[4]	United Kingdom, St. Peter Port	99.99		–	–
Axis Logistics Inc.[2), 3)]	Canada, Toronto	100.00	CAD	3	0
Brasexpress, Inc.[4]	Cayman Islands, George Town	100.00		–	–
Compass Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	–2,383	0
Countrywide Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	2,978	0
Deutsche Post World Net USA Inc.[4]	USA, Washington	100.00		–	–
DHL Consumer Services SC México[4]	Mexico, Teptzotlán	100.00		–	–
DHL Express (Belize) Ltd.[4]	Belize, Belize City	100.00		–	–
DHL Express Aduanas Venezuela C.A.[5]	Venezuela, Caracas	100.00		0	0
DHL Global Forwarding Aduanas Peru S.A.[4]	Peru, Callao	100.00		–	–
DHL International (Antigua) Ltd.[4), 5)]	Antigua and Barbuda, St. Johns	100.00		–	–
DHL Servicios S.A. de C.V.[4]	Mexico, Mexico City	100.00		–	–
DHL St. Lucia Ltd.[4), 5)]	St. Lucia, Castries	100.00		–	–
Elite Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	1,002	0
Exel Global Logistics (Canada) Inc.[4]	Canada, St. Laurent	100.00		–	–
Fast'n Fresh Logistics Inc.[2), 3)]	Canada, Toronto	100.00	CAD	0	0
Galaxy Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	15,469	0
Harvest Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	4,211	0
Hyperion Properties Inc.[4), 5)]	USA, Westerville	100.00		–	–
Iceworks Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	654	0
Matrix Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	–1,956	0
Merchants Dispatch Inc.[4), 5)]	USA, Westerville	100.00		–	–
Merchants Home Delivery Service of Washington Inc.[4), 5)]	USA, Westerville	100.00		–	–
Mission Logistics Inc.[2), 3)]	Canada, Toronto	100.00	CAD	1	0
Northstar Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	–1,278	0
Pinnacle Logistics Inc.[2), 3)]	USA, Westerville	100.00	USD	3,447	0
Power Packaging (Geneva) LLC[2), 3)]	USA, Westerville	100.00	USD	59,375	0
Power Packaging Inc.[4]	USA, Westerville	100.00		–	–
Radix Group International Inc.[4]	USA, Columbus	100.00		–	–
Safe Way Argentina S.A.[4]	Argentina, Buenos Aires	100.00		–	–
SF Capital Corp.[2), 3)]	Canada, Toronto	100.00	CAD	214	0
SIA DHL Express Colombia Ltda.[4]	Colombia, Bogotá	100.00		–	–
Skyhawk Transport Ltd.[4]	Canada, Mississauga	100.00		–	–
Southlake Financial Services L.P.[4]	USA, Westerville	100.00		–	–
Spectrum Supply Chain Services Inc.[4]	USA, Westerville	100.00		–	–
Spectrum Supply Chain Services Partnership L.P.[2), 3)]	USA, Westerville	100.00	USD	–5,046	0
SSCS Inc.[4]	USA, Westerville	100.00		–	–
Summit Logistics Inc.[2), 3)]	USA, Westerville	99.93	USD	5,118	0
SWO Distribution Centers Ltd.[2), 3)]	Canada, Toronto	100.00	CAD	2	0
TBG Freightsmart Inc.[2), 3)]	USA, Westerville	100.00	CAD	5,725	0
TBG Keller Texas, Inc.[2), 3)]	USA, Westerville	100.00	USD	2,654	0
TBGC Leasing Ltd.[4), 5)]	Canada, Toronto	100.00		–	–
TBGNA GP LLC[4]	USA, Westerville	100.00		–	–
TBGNA LLC[4]	Canada, Toronto	100.00		–	–
USC Distribution Services LLC[4]	USA, Westerville	100.00		–	–

Affiliated companies not included in the consolidated financial statements

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Asia Pacific					
Concorde Air Logistics Ltd.	India, Mumbai	80.71	INR	–43,805	–24,298
DHL China Ltd.	China, Kowloon Bay	100.00		0	0
DHL Customs Brokerage Corp.	Philippines, Pasay City	100.00	PHP	1,132	35
Exel Logistics Delbros Philippines Inc.[4]	Philippines, Manila	60.00		–	–
F.X. Coughlin Australia Pty. Ltd.[4], [5]	Australia, Mascot	100.00		–	–
Skyline Air Logistics Ltd.	India, Mumbai	99.99	INR	–36,797	–12,498
Tibbett & Britten Kontena Nasional Sdn. Bhd.[5]	Malaysia, Darul Ehsan	60.00	MYR	–352	0
Watthanothai Co. Ltd.[2]	Thailand, Bangkok	100.00	TBH	1,346	–25
Yamato Dialog & Media Co. Ltd.	Japan, Tokyo	49.00	JPY	–629,076	3,194
Other Regions					
Blue Funnel Angola Ltda.[4]	Angola, Luanda	100.00		–	–
Danzas AEI Pty. Ltd.[4]	Kenya, Nairobi	100.00		–	–
Danzas AEI Pty. Ltd.[4], [5]	Zimbabwe, Harare	100.00		–	–
Danzas AEI Intercontinental Ltd.[4]	Zambia, Lusaka	100.00		–	–
Danzas AEI Intercontinental Ltd.[4]	Malawi, Blantyre	100.00		–	–
Danzas Zambia Ltd.[4]	Zambia, Lusaka	100.00		–	–
DMW-Expo[4]	Russia, Moscow	66.00		–	–
Elder Dempster Ltda.[4]	Angola, Luanda	100.00		–	–
Exel Contract Logistics (SA) Pty. Ltd.[4], [5]	South Africa, Elandsfontein	100.00		–	–
Exel Logistics (Zambia) Ltd.[4]	Zambia, Lusaka	100.00		–	–
Exel Network Logistics (South Africa) Pty. Ltd.[4]	South Africa, Germiston	100.00		–	–
Exel South Africa Logistics Pty. Ltd.[4]	South Africa, Germiston	100.00		–	–
Fashion Logistics Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–
Fashion Logistics Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–
International Supply Chain (SA) Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–
Palmer Womersley Distributors Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–
SA Warehousing Services Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–
STA Nurminen[4]	Russia, Moscow	100.00		–	–
Storecare Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–
Synergistic Alliance Investments Pty. Ltd.[4]	South Africa, Germiston	100.00		–	–
Tibbett & Britten (SA) Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–
Tibbett & Britten Egypt Ltd.[4], [5]	Egypt, Cairo	50.00		–	–
Unifast Pty. Ltd.[4], [5]	South Africa, Germiston	100.00		–	–

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Joint ventures (quota consolidation)

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Europe					
AeroLogic GmbH	Germany, Leipzig	50.00	EUR	10,679	–1,889
Exel Delamode Logistic SrL.	Romania, Bucharest	50.00	EUR	2,291	1,266
Americas					
EC Logistica S.A.	Argentina, Buenos Aires	51.00	EUR	180	98
EV Logistics	Canada, Vancouver	50.00	EUR	–710	1,341
Innogistics LLC	USA, Westerville	49.00	EUR	371	70
LifeConEx LLC	USA, Plantation	50.00	EUR	–1,128	121
Asia Pacific					
Parcel Direct Group Pty. Ltd.[1]	Australia, Mascot	50.00	EUR	19,602	–4,279
Couriers Please Pty. Ltd.[1]	Australia, Victoria	50.00	AUD	–	–
Express Couriers Australia (SUB1) Pty. Ltd.[1]	Australia, Mascot	50.00	AUD	–	–
Hills Parcel Direct Pty. Ltd.[1]	Australia, Victoria	50.00	AUD	–	–
Northern Kope Parcel Express (SA) Pty. Ltd.[1]	Australia, Pymble	50.00	AUD	–	–
Northern Kope Parcel Express Pty. Ltd.[1]	Australia, Pymble	50.00	AUD	–	–
Parcel Direct Australia Pty. Ltd.[1]	Australia, Queensland	50.00	AUD	–	–
Parcel Overnight Direct Pty. Ltd.[1]	Australia, Victoria	50.00	AUD	–	–
Express Couriers Ltd.[1]	New Zealand, Wellington	50.00	EUR	75,701	5,490
Roadstar Transport Ltd.[1]	New Zealand, Wellington	50.00	EUR	–	–
Other Regions					
Bahwan Exel LLC	Oman, Muscat	49.00	EUR	702	4,940
Danzas DV. Yuzhno LLC	Russia, Yuzhno-Sakhalinsk	50.00	EUR	295	–225
Exel Saudia LLC	Saudi Arabia, Al Khobar	50.00	EUR	3,100	2,570

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Associated companies (accounting treatment in the consolidated financial statements following the equity method)

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Europe					
Betriebs-Center für Banken AG[8]	Germany, Frankfurt/Main	39.498	EUR	281,834	36,957
Betriebs-Center für Banken Processing GmbH[8]	Germany, Frankfurt/Main	39.498	EUR	2,932	1,598
BHW – Gesellschaft für Wohnungswirtschaft mbH & Co. Immobilienverwaltung KG[8]	Germany, Hameln	39.498	EUR	92,245	4,876
BHW – Gesellschaft für Wohnungswirtschaft mbH[8]	Germany, Hameln	39.498	EUR	974,950	–5,656
BHW Bausparkasse AG[8]	Germany, Hameln	39.498	EUR	1,436,613	–5,395
BHW Gesellschaft für Vorsorge mbH[8]	Germany, Hameln	39.498	EUR	236,704	2,065
BHW Holding Aktiengesellschaft[8]	Germany, Berlin	39.498	EUR	805,395	–27,918
BHW Immobilien GmbH[8]	Germany, Hameln	39.498	EUR	2,475	–203
Cargo Center Sweden AB	Sweden, Stockholm	50.00	SEK	17,974	–17,586
Deutsche Fonds Management GmbH & Co. DCM Renditefonds 15 KG	Germany, Munich	23.20	EUR	0	0
Deutsche Postbank AG[8]	Germany, Bonn	39.498	EUR	43,364	593
Deutsche Postbank Finance Center Objekt SARL[8]	Luxembourg, Munsbach	35.548	EUR	2,281	917
Deutsche Postbank Financial Services GmbH[8]	Germany, Frankfurt/Main	39.498	EUR	4,805	–34
Deutsche Postbank International S.A.[8]	Luxembourg, Munsbach	39.498	EUR	912,055	102,938
Deutsche Postbank Vermögens-Management S.A.[8]	Luxembourg, Munsbach	39.498	EUR	28,420	10,570
DPBI Immobilien S.C.A. (KGaA)[8]	Luxembourg, Munsbach	3.952	EUR	348	120
DSL Portfolio GmbH & Co. KG[8]	Germany, Bonn	39.498	EUR	–1	–15
DSL Holding AG i.A.[8]	Germany, Bonn	39.498	EUR	57,042	2,342
DSL Portfolio Verwaltungs GmbH[8]	Germany, Bonn	39.498	EUR	16,843	964
PB Consumer 2008-1 GmbH[6, 8]	Germany, Frankfurt/Main	0	EUR	–13,958	184
PB Factoring GmbH[8]	Germany, Bonn	39.498	EUR	16,561	1,075

Associated companies (accounting treatment in the consolidated financial statements following the equity method)

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
PB Firmenkunden AG[8]	Germany, Bonn	39.498	EUR	2,023	697
PB Spezial-Investmentaktiengesellschaft mit Teilgesellschaftsvermögen[8]	Germany, Frankfurt/Main	39.498	EUR	300	0
Postbank Beteiligungen GmbH[8]	Germany, Bonn	39.498	EUR	325	300
Postbank Direkt GmbH [8]	Germany, Leipzig	39.50	EUR	21,060	200
Postbank Filialvertrieb AG[8]	Germany, Bonn	39.498	EUR	–847	1,288
Postbank Finanzberatung AG[8]	Germany, Hameln	39.498	EUR	75,082	–21,676
Postbank Immobilien und Baumanagement GmbH & Co. Objekt Leipzig KG[8]	Germany, Bonn	35.548	EUR	–8,493	3,724
Postbank Immobilien und Baumanagement GmbH[8]	Germany, Bonn	39.498	EUR	18,874	0
Postbank Leasing GmbH[8]	Germany, Bonn	39.498	EUR	5,111	–183
Postbank Support GmbH[8]	Germany, Cologne	39.498	EUR	751	–9
Postbank Systems AG[8]	Germany, Bonn	39.498	EUR	162,047	11,932
Postbank Versicherungsvermittlung GmbH[8]	Germany, Bonn	39.498	EUR	25	0
Unipost Servicios Generales S.L.	Spain, Barcelona	37.63	EUR	18,160	2,504
VÖB-ZVD Bank für Zahlungsverkehrsdienstleistungen GmbH[8]	Germany, Bonn	29.624	EUR	12,021	3,129
Americas					
Deutsche Postbank Funding LLC I[8]	USA, Wilmington	39.498	EUR	25	17
Deutsche Postbank Funding LLC II[8]	USA, Wilmington	39.498	EUR	8	8
Deutsche Postbank Funding LLC III[8]	USA, Wilmington	39.498	EUR	29	6
Deutsche Postbank Funding LLC IV[8]	USA, Wilmington	39.498	EUR	67	19
Deutsche Postbank Funding Trust I[8]	USA, Wilmington	39.498	EUR	1	0
Deutsche Postbank Funding Trust II[8]	USA, Wilmington	39.498	EUR	1	0
Deutsche Postbank Funding Trust III[8]	USA, Wilmington	39.498	EUR	1	0
Deutsche Postbank Funding Trust IV[8]	USA, Wilmington	39.498	EUR	57	3
PB (USA) Holdings, Inc.[1, 8]	USA, Wilmington	39.498	EUR	390,781	–45,926
PB Realty Corporation[1]	USA, New York	39.498	EUR	–	–
PB Capital Corporation[1]	USA, Wilmington	39.498	EUR	–	–
PB Finance (Delaware), Inc.[1]	USA, Wilmington	39.498	EUR	–	–
PBC Carnegie LLC[1]	USA, Wilmington	39.498	EUR	–	–
Asia Pacific					
Air Hong Kong Ltd.[2]	Hongkong, Hongkong	40.00	HKD	–268,446	–2,228,426
Deutsche Postbank Home Finance Ltd.[8]	India, New Delhi	39.498	EUR	66,509	8,833
Tasman Cargo Airlines Pty. Ltd.	Australia, Sydney	49.00	AUD	5,822	217
Other Regions					
Danzas AEI Emirates LCC (Dubai)	United Arab Emirates, Dubai	40.00	AED	167,626	53,834

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Non-consolidated joint ventures

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Europe					
Aerologic Management GmbH	Germany, Frankfurt/Main	50.00	EUR	0	0
Birkart SGS Poland Sp. z o. o.[4]	Poland, Lodz	50.00		–	–
LTTS Service Distribution Verwaltungs GmbH[4]	Germany, Essen	50.00		–	–
Malto Grundstücks-Verwaltungsgesellschaft mbH & Co. KG[4]	Germany, Gruenwald	50.00		–	–

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

Non-consolidated associated companies

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
Europe					
Airmail Center Frankfurt GmbH[4]	Germany, Frankfurt/Main	20.00		–	–
Automotive Logistics (UK) Ltd.[4]	United Kingdom, Bracknell	50.00		–	–
Balsa Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG[4, 7]	Germany, Mainz	24.00		–	–
BHW Direktservice GmbH[2]	Germany, Hameln	39.50	EUR	2,364	864
BHW Eurofinance B.V.[4]	Netherlands, Amsterdam	39.50		–	–
BHW Financial S.r.l.[2]	Italy, Verona	39.50	EUR	1	0
BHW Invest SARL[2]	Luxembourg, Luxembourg	39.50	EUR	39	5
Bike-Logistik GmbH Gesellschaft für Zweiradtransporte[4]	Germany, Nuremberg	25.00		–	–
Cabochon Grundstücksverwaltungsgesellschaft mbh & Co. Vermietungs KG[4, 7]	Germany, Mainz	24.00		–	–
Chris Fowler International Ltd.[4]	United Kingdom, London	95.96		–	–
CREDA Objektanlage- u. Verwaltungsgesellschaft mbH[2]	Germany, Bonn	39.50	EUR	1,000	0
DCM GmbH & Co. Vermögensaufbau Fonds 2 K[4]	Germany, Munich	23.81		–	–
Deutsche Fonds Management GmbH & Co. DCM Renditefonds 18 KG	Germany, Munich	24.94	EUR	0	0
Diorit Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG[4, 7]	Germany, Mainz	24.00		–	–
DSF Deutsche System Finanzplan Gesellschaft für Finanzdienstvermittlung mbH[2]	Germany, Bonn	39.50	EUR	363	6
DVD Gesellschaft für DV-gestützte Dienstleistungen mbH & Co. KG[4]	Germany, Cologne	20.14		–	–
easyhyp GmbH[4]	Germany, Hameln	39.50		–	–
European EPC Competence Center GmbH	Germany, Cologne	30.00	EUR	206	7
EXPO Logistics OOD[4]	Bulgaria, Sofia	50.00		–	–
Expo-Dan[4]	Ukraine, Kiev	50.00		–	–
Expo-Sped Sp. z o. o.[4]	Poland, Warsaw	50.00		–	–
Fünfte SAB Treuhand und Verwaltung GmbH & Co. Suhl „Rimbach Zentrum" KG[4]	Germany, Suhl	29.22		–	–
Gardermoen Perishable Center AS[4]	Norway, Gardermoen	33.33		–	–
Humit Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG[4, 7]	Germany, Mainz	24.00		–	–
Iphigenie Verwaltungs GmbH[4]	Germany, Bonn	39.50		–	–
Jurte Grundstücksverwaltungsges mbH & Co. Vermietungs KG	Germany, Mainz	24.00	EUR	0	0
Kattun Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG[4, 7]	Germany, Mainz	24.01		–	–
Maxser Holding B.V.[4]	Netherlands, Maastricht	30.00		–	–
PB EuroTurks Finanzdienstleistungen GmbH[4]	Germany, Bonn	39.50		–	–
PB Sechste Beteiligungen GmbH [8]	Germany, Frankfurt/Main	39.50	EUR	0	0
Postbank P.O.S. Transact GmbH[4]	Germany, Eschborn	39.50		–	–
Postbank Vertriebsakademie GmbH[4]	Germany, Hameln	39.50		–	–

Non-consolidated associated companies

Name	Headquarters	Group equity share %	Currency	Equity thousands	Net income thousands
profresh Systemlogistik GmbH[4]	Germany, Hamburg	33.33		–	–
RALOS Verwaltung GmbH & Co. Vermietungs KG[2]	Germany, Munich	37.13	EUR	–2	0
SAB Real Estate Verwaltungs GmbH[4]	Germany, Bonn	39.50		–	–
Unipost S.A.[4]	Spain, Barcelona	37.36		–	–
Americas					
2650 Virginia Avenue NW LCC[4]	USA, Dover	39.50		–	–
BITS Ltd.	Bermuda, Hamilton	40.00	EUR	696	–239
DHL International (Cayman) Ltd.	Cayman Islands, George Town	40.00	EUR	837	172
Diamond Logistics[4]	USA, Wilmington	50.00		–	–
Inversiones 3340, C.A.[4]	Venezuela, Caracas	49.00		–	–
Miami MEI, LLC[4]	USA, New York	39.50		–	–
PB Hollywood II Lofts, LLC[4]	USA, Dover	39.50		–	–
Wilmington Commerce Park Partnership[3]	USA, Plantation	50.00	USD	4,342	2,175
Asia Pacific					
BHW Financial Consultants Ltd.[4]	India, Delhi	39.50		–	–
Macxel Pte. Ltd.	Singapore, Singapore	50.00	SGD	0	0
Übrige Regionen					
Danzas AEI Int. (Mauritius) Ltd.[4]	Mauritius, Port Louis	35.00		–	–
DHL Yemen Company Ltd. (Express Courier)[4]	Yemen, Sanaa	49.00		–	–
Drakensberg Logistics Pty. Ltd.[4]	South Africa, Germiston	50.00		–	–

Reported IAS data before profit transfer

1) Only subgroup data available. 2) Amounts from 2008. 3) Local GAAP. 4) Data not available. 5) Dormant. 6) SIC 12 entity (SPE). 7) Voting rights. 8) Preliminary.

RESPONSIBILITY STATEMENT

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

Bonn, 19 February 2010
Deutsche Post AG
The Board of Management

Dr Frank Appel · Ken Allen · Jürgen Gerdes · Walter Scheurle

Bruce Edwards · Lawrence Rosen · Hermann Ude

AUDITOR'S REPORT

We audited the consolidated financial statements prepared by Deutsche Post AG, Bonn, comprising the income statement and the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315 a (1) HGB, ("Handelsgesetzbuch"; German Commercial Code) and supplementary provisions of the Articles of Incorporation are the responsibility of the parent Company's Board of Management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW), and additionally observed the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Management as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315 a (1) HGB and supplementary provisions of the Articles of Incorporation and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 19 February 2010

PricewaterhouseCoopers
Aktiengesellschaft (German Stock Corporation)
Wirtschaftsprüfungsgesellschaft

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

FURTHER INFORMATION

D

LIVING RESPONSIBILITY – GoTeach

GoTeach is the name of our programme for better education and more equal educational opportunities. Education is the foundation that society needs to move forward. That's why we promote and breathe life into initiatives that help people advance themselves and broaden their skills. They learn to act responsibly, to develop themselves and improve their chances of getting a job. We are committed to a number of initiatives at schools, universities and to vocational training. As founding partner of Teach First Deutschland, for instance, we are putting our full support behind the education of less privileged children and young people.

Our aim: In the interest of children and young people as well as our own future as one of the largest employers in the world, we want to reinforce and build upon our commitment to education.

Our approach: Beyond our commitment to Teach First Deutschland, the GoTeach programme offers our employees the opportunity to get involved in education and supports selected global initiatives.

More information is available at www.dp-dhl.com/en/responsibility.html

INDEX

GLOSSARY

Container
Sealed, reusable metal box for carrying goods by ship or rail.

Contract logistics
Involves complex logistics and logistics-related services along the value chain that are performed by a contract logistics service provider. Long-term contracts allow services to be tailored to a particular industry and customer.

Cross-border mail (outbound)
All international mail.

Customs brokerage
Involves the clearing of goods through customs barriers for importers and exporters, which includes the preparation of documents and/or electronic submissions as well as the calculation of taxes, duties and excises on behalf of the client.

Day Definite
Delivery of shipments on a specified day.

DHL Solutions & Innovations
New unit that brings together the Group's existing innovation drivers – including the DHL Innovation Centre – develops innovative solutions and promotes cross-divisional co-operation.

Dialogue marketing
Market-orientated activities which draw on direct communications to selectively reach target groups through a personal, individualised approach and to enter into dialogue.

Distribution
Process flows in the sales channel from producers via wholesalers/retailers to consumers.

EU Postal Directive
Legal framework for the postal markets in the member states of the European Union.

Exclusive licence
In accordance with the German postal act, Deutsche Post AG had the exclusive licence until the end of 2007 to commercially transport certain items. The exclusive licence expired with effect from 1 January 2008.

Federal Network Agency (Bundesnetzagentur)
National regulator for electricity, gas, telecommunications, post and railway.

First Choice
Group-wide programme aimed at improving service quality and enhancing customer focus.

Full Container Load (FCL)
Shipments which completely fill a container.

Gateway
Collection centre for the consolidation of flows of goods in one direction.

Global Customer Solutions
Customer relationship management organisation for the Group's largest and most important global clients.

Hub
Collection centre for the transhipment and consolidation of flows of goods.

Inbound-to-manufacturing
The procurement of goods and their transport from the place of origin/manufacture to the production line.

Intermodal transport
Transport chain integrating different modes of transport, often combining road and rail.

International Air Transport Association (IATA)
International trade body for commercial air transport.

Fourth-party logistics (4PL)
Independent agent that puts together the most effective and economical complete logistics package for customers and co-ordinates the different service providers along the complete supply chain.

Full truckload
Complete capacity of truck is utilised from sender to receiver.

Less than Container Load (LCL)
Loads that will not fill a container by themselves and are therefore consolidated for ocean transport.

Less than truckload
Shipment that is smaller than a full truckload that is consolidated with other senders and/or receivers into one load for transport.

Medical Services
Worldwide Medical Express. Express service using a modular packaging system that facilitates the delivery of temperature-sensitive goods.

Outsourcing
The subcontracting of tasks to external service providers.

Packstation
Parcel machine where parcels and small packets can be deposited and collected around the clock.

Paketbox
Postbox for franked parcels and small packets (maximum dimensions: 50 × 40 × 30 cm).

Partner outlets
Postal retail outlets operated primarily by merchants in the retail sector who offer postal services in addition to the core businesses.

Part truckload
Shipment that does not constitute a full truckload but is transported from point of departure to destination without transhipment.

Postal act (Postgesetz)
The purpose of the German postal act, which took effect on 1 January 1998, is to promote postal competition through regulation and ensure the nationwide provision of appropriate and sufficient postal services. It includes regulations on licensing, price control and the universal service.

Postident
Identity check of the recipient using one of three preselected methods: by the retail outlet, by the mail carrier or through signatures on original documents.

Preferred periodical
A press product of which more than 30 % consists of journalistic reporting.

Price-cap procedure
Procedure whereby the Federal Network Agency approves prices for certain mail products. The agency approves prices on the basis of parameters it stipulates in advance, which set the average changes in these prices within baskets of services defined by the agency.

Repair and Return
Goods are picked up from the end user at variable addresses, transported to the pre-defined repair vendor, collected after repair and returned to the end user.

Same Day
Same-day delivery of shipments.

Standard periodical
A press product of which no more than 30 % consists of journalistic reporting.

Standard letter
Letter measuring max. 235 × 125 × 5 mm and weighing up to 20 g.

Supply chain
A series of connected resources and processes from sourcing materials to delivering goods to consumers.

TEU
Twenty-foot equivalent unit. Standardised container unit measuring 20 feet in length (1 foot = approximately 30 cm).

Time Definite
Shipments in which the day or time of delivery has been specified or guaranteed.

Transported Asset Protection Association (TAPA)
A forum that unites manufacturers, logistics providers, freight carriers, law enforcement authorities and other stakeholders with the common aim of reducing losses from international supply chains.

GRAPHS AND TABLES

CONTACTS

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GeT and DHL Webshop
Mat. no. 675-601-522

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Deutsche Post Corporate Language Services et al.

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

04 MULTI-YEAR REVIEW

Key figures 2002 to 2009

€m	2002 adjusted	2003 adjusted	2004 adjusted	2005 adjusted	2006 adjusted	2007 adjusted	2008 adjusted	2009
Revenue								
MAIL	12,129	12,495	12,747	12,878	15,290	14,569	14,393	13,684
EXPRESS	14,637	15,293	17,557	16,831	13,463	13,874	13,637	10,312
LOGISTICS	5,817	5,878	6,786	9,933	24,405	–	–	–
GLOBAL FORWARDING, FREIGHT	–	–	–	–	–	12,959	14,179	10,870
SUPPLY CHAIN	–	–	–	–	–	14,317	13,718	12,507
FINANCIAL SERVICES	8,676	7,661	7,349	7,089	9,593	–	–	–
SERVICES	–	–	–	3,874	2,201	–	–	–
Divisions total	41,259	41,327	44,439	50,605	64,952	55,719	55,927	47,373
Corporate Center/Other (until 2004: Other/Consolidation; until 2006: Consolidation; until 2007: Corporate Center/Other and Consolidation)	–2,004	–1,310	–1,271	–6,011	–4,407	–1,676	1,782	1,527
Consolidation	–	–	–	–	–	–	–3,235	–2,699
Continuing operations	–	–	–	–	–	54,043	54,474	46,201
Discontinued operations	–	–	–	–	–	10,335	11,226	1,634
Total	**39,255**	**40,017**	**43,168**	**44,594**	**60,545**	**–**	**–**	**–**
Profit/loss from operating activities before goodwill amortisation (EBITA)								
MAIL	2,144	2,082	2,085	2,030	2,094	1,976	2,179	1,383
EXPRESS	270	365	373	411	288	–272	–2,194	–807
LOGISTICS	173	206	281	346	751	–	–	–
GLOBAL FORWARDING, FREIGHT	–	–	–	–	–	409	362	191
SUPPLY CHAIN	–	–	–	–	–	577	–310	–208
FINANCIAL SERVICES	679	568	716	869	1,004	–	–	–
SERVICES	–	–	–	679	–229	–	–	–
Divisions total	3,266	3,221	3,455	4,335	3,908	2,690	37	559
Corporate Center/Other (until 2004: Other/Consolidation; until 2006: Consolidation; until 2007: Corporate Center/Other and Consolidation)	–297	–246	–84	–131	–36	–557	–393	–328
Consolidation	–	–	–	–	–	–	0	0
Continuing operations	–	–	–	–	–	2,133	–356	231
Discontinued operations	–	–	–	–	–	1,060	–871	–24
Total	**2,969**	**2,975**	**3,371**	**4,204**	**3,872**	**–**	**–**	**–**
Profit/loss from operating activities (EBIT)								
MAIL	2,138	2,067	2,072	2,030	2,094	1,976	2,179	1,383
EXPRESS	–79	152	117	–23	288	–272	–2,194	–807
LOGISTICS	80	116	182	346	751	–	–	–
GLOBAL FORWARDING, FREIGHT	–	–	–	–	–	409	362	191
SUPPLY CHAIN	–	–	–	–	–	577	–920	–208
FINANCIAL SERVICES	678	567	714	863	1,004	–	–	–
SERVICES	–	–	–	679	–229	–	–	–
Divisions total	2,817	2,902	3,085	3,895	3,908	2,690	–573	559
Corporate Center/Other (until 2004: Other/Consolidation; until 2006: Consolidation; until 2007: Corporate Center/Other and Consolidation)	–297	–246	–84	–131	–36	–557	–393	–328
Consolidation	–	–	–	–	–	–	0	0
Continuing operations	–	–	–	–	–	2,133	–966	231
Discontinued operations	–	–	–	–	–	1,060	–871	–24
Total	**2,520**	**2,656**	**3,001**	**3,764**	**3,872**	**–**	**–**	**–**
Consolidated net profit/loss for the period	**1,590**	**1,342**	**1,740**	**2,448**	**2,282**	**1,873**	**–1,979**	**693**

Key figures 2002 to 2009

		2002 adjusted	2003 adjusted	2004 adjusted	2005 adjusted	2006 adjusted	2007 adjusted	2008 adjusted	2009
Cash flow/investments/depreciation, amortisation and impairment losses									
Total cash flow from operating activities	€m	2,967	3,006	2,336	3,624	3,922	5,151	1,939	–584
Total cash flow from investing activities	€m	–2,226	–2,133	–385	–5,052	–2,697	–1,053	–441	–2,722
Total cash flow from financing activities	€m	147	–304	–493	–1,288	–865	–1,787	–1,468	1,688
Investments	€m	3,100	2,846	2,536	6,176	4,066	2,343	3,169	1,456
Depreciation, amortisation and impairment losses	€m	1,893	1,693	1,821	1,961	1,771	2,196	2,662	1,620
Assets and capital structure									
Non-current assets[1]	€m	14,536	15,957	17,027	25,223	26,074	25,764	20,517	22,022
Current assets (until 2003: including deferred tax assets)[1]	€m	148,111	138,976	136,369	147,417	191,624	209,656	242,447	12,716
Equity (excluding minority interest)	€m	5,095	6,106	7,242	10,624	11,220	11,035	7,826	8,176
Minority interest	€m	117	59	1,623	1,791	2,732	2,778	2,026	97
Current and non-current provisions	€m	12,684	12,673	12,441	12,161	14,233	12,276	10,836	9,677
Current and non-current liabilities[2]	€m	11,900	12,778	15,064	19,371	20,850	21,544	242,276	16,788
Total assets	**€m**	**162,647**	**154,933**	**153,396**	**172,640**	**217,698**	**235,420**	**262,964**	**34,738**
Employees/staff costs (from 2007: Continuing operations)									
Total number of employees (headcount including trainees)	at 31 Dec.	371,912	383,173	379,828	502,545	520,112	512,147	512,536	477,280
Full time equivalents (excluding trainees)[3]	at 31 Dec.	334,952	348,781	340,667	455,115	463,350	453,626	451,515	424,686
Average number of employees (headcount)		375,890	375,096	381,492	393,463	507,641	500,252	511,292	488,518
Staff costs	€m	13,313	13,329	13,840	14,337	18,616	17,169	18,389	17,021
Staff cost ratio[4]	%	33.9	33.3	32.1	32.2	30.7	31.8	33.8	36.8
Key figures revenue/income/assets and capital structure									
Return on sales[5]	%	7.6	7.4	7.0	8.4	6.4	3.9	–1.8	0.5
Return on equity (ROE) before taxes[6]	%	35.5	34.2	29.2	28.7	21.6	8.6	–9.0	3.0
Return on assets[7]	%	1.6	1.7	1.9	2.3	2.0	0.9	–0.4	0.2
Tax rate[8]	%	14.3	29.9	20.2	19.8	19.7	14.0	–	5.4
Equity ratio[9]	%	3.1	3.9	5.8	7.2	6.4	5.9	3.7	23.8
Net debt/net liquidity (Postbank at equity)[10]	€m	1,494	2,044	–32	4,193	3,083	2,858	2,466	–1,690
Net gearing (Postbank at equity)[11]	%	22.7	25.1	–0.4	28.1	21.4	20.4	23.7	–25.7
Dynamic gearing (Postbank at equity)[12]	years	0.5	0.8	0.0	2.4	1.4	1.0	0.7	–1.4
Key stock data									
(Diluted) earnings per share[13]	€	0.59	1.18	1.44	1.99	1.60	1.15	–1.40	0.53
Cash flow per share[13, 14]	€	2.67	2.70	2.10	3.23	3.28	4.27	1.60	–0.48
Dividend distribution	€m	445	490	556	836	903	1,087	725	725[15]
Payout ratio (distribution to consolidated net profit)	%	67.5	37.4	34.8	37.4	47.1	78.6	–	112.6
Dividend per share	€	0.40	0.44	0.50	0.70	0.75	0.90	0.60	0.60[15]
Dividend yield (based on year-end closing price)	%	4.0	2.7	3.0	3.4	3.3	3.8	5.0	4.4
(Diluted) price/earnings ratio[16]		7.1	13.9	11.7	10.3	14.3	20.4	–8.5	25.5
Number of shares carrying dividend rights	millions	1,112.8	1,112.8	1,112.8	1,193.9	1,204.0	1,208.2	1,209.0	1,209.0
Year-end closing price	€	10.00	16.35	16.90	20.48	22.84	23.51	11.91	13.49

1) From 2004 balance sheet presented in accordance with the new IAS 1 as explained in item 5 of the Notes to the 2005 consolidated financial statements. 2) Excluding liabilities from financial services. 3) Until 2004 including trainees. 4) Staff costs/revenue. 5) EBITA/revenue; from 2004: EBIT/revenue (from 2007: Continuing operations). 6) Profit before income taxes (from 2007 Continuing operations)/average equity (from 2004 including minority interest). 7) EBIT (from 2007: Continuing operations)/average total assets. 8) Income tax expense/profit before income taxes; including discontinued operations. 9) Equity (from 2004 including minority interest)/total assets. 10) Financial liabilities excluding cash and cash equivalents, current financial assets and long-term deposits. From 2006: excluding financial liabilities to minority shareholders of Williams Lea. From 2008: see management report, page 44. 11) Net debt/net debt and equity (from 2004 including minority interest). 12) Net debt/cash flow from operating activities. 13) The weighted average number of shares for the period was used for the calculation. 14) Cash flow from operating activities. 15) Proposal. 16) Year-end closing price/earnings per share (2002: before extraordinary expense).

05 EVENTS

Financial calendar[1)]

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 and investors conference
9 November 2010	Interim Report on the first nine months of 2010, investors conference call

1) Further dates, updates as well as information on live webcasts @ dp-dhl.com/en/investors.html.

Investor events[1)]

25 March 2010	Nomura Business Leisure Transport Conference (London)
20–21 May 2010	Deutsche Bank German & Austrian Corporate Conference (Frankfurt/Main)
25–26 May 2010	Wolfe Research Global Transport Conference (New York)
16–17 June 2010	Credit Suisse Business Services Conference (London)
21 June 2010	Goldman Sachs Business Services Conference (London)
23–24 June 2010	Deutsche Bank Industrials Conference (Chicago)
13–14 September 2010	UBS Transport Conference (London)
21–22 September 2010	Sanford C. Bernstein's Strategic Decisions Conference (London)
30 September 2010	Nordea Markets's Transport Seminar (Copenhagen)
7 October 2010	Goldman Sachs Shipping & Freight Forwarding Symposium (London)

1) Further dates, updates as well as information on live webcasts @ dp-dhl.com/en/investors.html.

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