INTERIM REPORT 2012

1

JANUARY TO MARCH

Deutsche Post DHL

KEY FIGURES

01 Selected key figures

		Q1 2011	Q1 2012	+/– %
Revenue[1]	€m	12,807	13,364	4.3
Profit from operating activities (EBIT)	€m	629	691	9.9
Return on sales[2]	%	4.9	5.2	–
Consolidated net profit for the period[3]	€m	325	533	64.0
Operating cash flow	€m	–34	–357	<–100
Net liquidity (–)/net debt (+)[4]	€m	–938	–308	–67.2
Earnings per share	€	0.27	0.44	63.0
Number of employees[5]		423,348	424,459	0.3

[1] Prior-year amount adjusted Note 4.
[2] EBIT/revenue.
[3] After deduction of non-controlling interests.
[4] Prior-year amount as at 31 December, for the calculation page 12 of the Interim Report by the Board of Management.
[5] Average FTEs, prior-year amount corresponds to that of financial year 2011.

WHAT WE ACHIEVED IN THE FIRST QUARTER OF 2012

We succeeded in continuing the good business performance of 2011 in the first quarter of 2012. We were able to increase revenues in all divisions and mostly saw even larger increases in earnings. Growth in our parcel business in Germany remained strong. In the DHL divisions, investments in our global network are helping us to expand our presence in both mature and growth markets. Our financial position remains very solid.

WHAT WE INTEND TO ACHIEVE BY THE END OF THE YEAR 2012

Given our good performance over the first three months, we are confirming our forecast of consolidated EBIT for financial year 2012 to reach between €2.5 billion and €2.6 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure, whilst the DHL divisions should deliver approximately €1.9 billion. Consolidated net profit before effects from the Postbank transaction is expected to continue to improve in 2012 in line with our operating business.

@ Websites

Cross-references

Dr Frank Appel

Chief Executive Officer
Deutsche Post AG

Deutsche Post DHL

7 May 2012

First quarter of 2012

Dear Shareholders,

Deutsche Post DHL continued on its successful course in the first three months of 2012. We dedicated all of our energy to consistently implementing our strategic goals.

We succeeded in continuing the good business performance of 2011 in the first quarter of 2012 with an increase in revenue of 4.3% to €13.4 billion and an improvement of around 10% in consolidated EBIT to €691 million.

We achieved higher revenues in all divisions and, thanks to improved profitability, we saw even larger increases in earnings.

In the MAIL division, growth in our parcel business remained strong. We are not only benefiting from the booming e-commerce business as a delivery company, our range of products and services are playing a significant role in this growth. In the express and logistics business of our DHL divisions, increased investments in our global network are helping us to expand our presence in the world's growth markets.

Given this good performance over the first three months, we are confirming our forecast of consolidated EBIT for financial year 2012 to reach between €2.5 billion and €2.6 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure, whilst the DHL divisions should deliver approximately €1.9 billion. At around €–0.4 billion, the Corporate Center/Other result should be on par with the previous year.

The sale of Postbank to Deutsche Bank is now complete. Deutsche Post AG no longer holds shares in Postbank. Deutsche Post DHL's financial position is very solid and we continue to have net liquidity.

We shall continue to consistently implement our Strategy 2015 in order to steadily unlock our Group's full potential.

Yours faithfully,

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CONTENTS

BUSINESS AND ENVIRONMENT

Organisation

No major organisational changes

In the first quarter of 2012, no organisational changes were made which are of material importance for the Group's structure.

Economic parameters

Global economy sees cautious growth

The global economy continued to grow at the start of 2012, albeit only moderately. Whereas the majority of the emerging economies registered a solid upswing, economic recovery in the industrial countries was weak on the whole and widely divergent.

In the Asian countries, the pace of growth continued to slow in the first quarter of 2012, although it remained high on a global comparison. Gross domestic product (GDP) in China rose by 8.1% year-on-year, which represented a loss in momentum compared with prior quarters. The Japanese economy stayed on a recovery path, with economic output likely to have increased perceptibly in the first quarter.

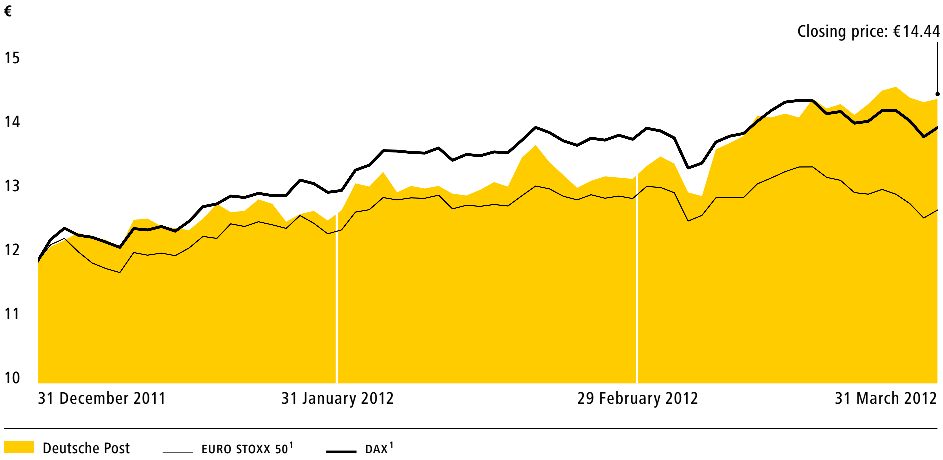
In the United States, the upturn continued. Investments in machinery and equipment alone is not thought to have been the sole growth driver. Private consumption also kept rising on the back of falling unemployment. Although the figures remained very high, unemployment was at its lowest level in three years. Against this backdrop, the US Federal Reserve maintained its key interest rate at 0% to 0.25%.

The euro zone economy experienced setbacks, primarily due to the sustained sovereign debt crisis and consolidation measures in a number of member states. Industrial output and construction dipped again at the start of the year compared with the final quarter of 2011. Unemployment reached its highest level since the beginning of the currency union. Private consumption and gross fixed capital formation are expected to have dropped again in the first quarter. For this reason, GDP shrank for the second time in a row. To support the economy, the European Central Bank kept its key interest rate at 1.0%.

The German economy continued to perform better than that of the euro zone at the beginning of 2012. Weak demand from European countries and the heavy winter weather in February had negative consequences. By contrast, exports to countries outside the euro zone rose, thus stabilising industrial production. GDP is likely to have risen very slightly and demand for labour remained high. Seasonally adjusted, the number of unemployed people fell by 48,000 and the unemployment rate declined to 6.7%. Encouragement was provided by the ifo Business Climate Index, which in March rose for the fifth time in a row.

DEUTSCHE POST SHARES

02 Share price performance



[1] Rebased to the closing price of Deutsche Post shares on 30 December 2011.

Deutsche Post shares rise even more strongly than the DAX

Equity markets saw a good start to 2012, despite continued concern over sovereign debt levels in Europe. Confidence in the measures that have been taken grew over the course of the first quarter. Furthermore, the US economy showed signs of recovery. The EURO STOXX 50 was up by 6.9% to 2,477 points. The DAX increased by 17.8% to 6,947 points, the largest increase in a first quarter since 1998. Our shares performed even better, reaching a high of €14.63, supported by the publication of our 2011 financial figures on 8 March and a proposed increase in the dividend. The share price began the year at €11.88, which was also the low for the first three months of the year. Our shares proceeded to grow by 21.5%, closing the quarter at €14.44. Average daily trading volumes were 10.8% below the prior year, at 4.3 million.

03 Deutsche Post shares

		30 Dec. 2011	31 March 2012
Closing price	€	11.88	14.44
High[1]	€	13.83	14.63
Low[1]	€	9.13	11.88
Number of shares[2]	millions	1,209.0	1,209.0
Market capitalisation	€m	14,363	17,458
Average trading volume per day[3]	shares	4,898,924	4,277,379

[1] In 2011 and in the first quarter of 2012.
[2] Including treasury shares Note 14.
[3] In the first quarter.

04 Peer group comparison: closing prices

		30 Dec. 2011	31 March 2012	+/– %	31 March 2011	31 March 2012	+/– %
Deutsche Post DHL	€	11.88	14.44	21.5	12.72	14.44	13.5
PostNL	€	2.46	4.63	88.2	18.10[1]	4.63	–74.4
FedEx	US$	83.51	91.96	10.1	93.55	91.96	–1.7
UPS	US$	73.19	80.72	10.3	74.32	80.72	8.6
Kuehne + Nagel	CHF	105.50	122.10	15.7	128.50	122.10	–5.0

[1] Previous year's price corresponds to a different company structure.

ECONOMIC POSITION

Overall assessment by the Board of Management

Business continues to perform well

We succeeded in continuing the good business performance of 2011 in the first quarter of 2012. We were able to increase revenues in all divisions, and thanks to improved profitability, we mostly saw even larger increases in earnings. In the MAIL division, growth in our parcel business remained strong. In the DHL divisions, investments in our global network are helping us to expand our presence in both mature and growth markets. The Group's financial position remains very solid in the opinion of the Board of Management and we continue to have net liquidity.

Significant events

Postbank sale completed

Upon the maturity of the mandatory exchangeable bond and exercise of our put option, we transferred the remaining shares of Postbank to Deutsche Bank. Deutsche Post AG now no longer holds shares in Postbank.

Earnings

05 Selected indicators for results of operations

		Q1 2011	Q1 2012
Revenue[1]	€m	12,807	13,364
Profit from operating activities (EBIT)	€m	629	691
Return on sales[2]	%	4.9	5.2
Consolidated net profit for the period[3]	€m	325	533
Earnings per share	€	0.27	0.44

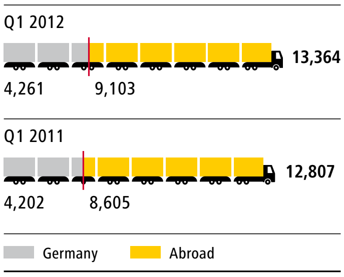
[1] Prior-year amount adjusted Note 4.
[2] EBIT/revenue.
[3] After deduction of non-controlling interests.

Changes in reporting

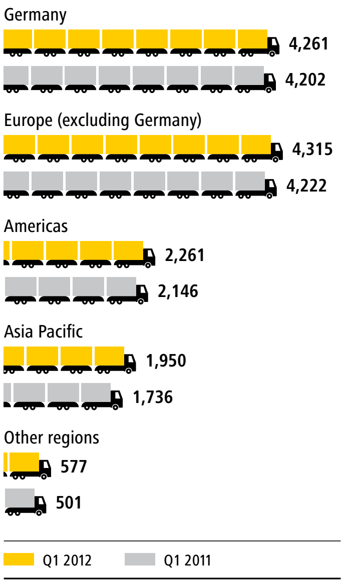
In the first quarter of 2012, responsibility for the less-than-truckload and part-truckload business in the Czech Republic was transferred from the EXPRESS division to the GLOBAL FORWARDING, FREIGHT division. Both divisions are now able to focus more strongly on their core competencies. The previous year's segment reporting figures were adjusted accordingly.

There were no significant changes in the portfolio in the first quarter of 2012.

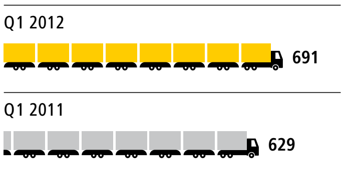
06 Consolidated revenue
€m



07 Revenue by region
€m



08 Consolidated EBIT
€m



Consolidated revenue rises

Consolidated revenue rose 4.3% to €13,364 million in the first quarter of financial year 2012 (previous year, adjusted: €12,807 million). The proportion of consolidated revenue generated abroad increased from 67.2% to 68.1%. Currency effects had a positive impact of €240 million.

Other operating income declined by 2.8% in the reporting period, from €389 million to €378 million.

Transport costs push up materials expense

Materials expense increased by €308 million to €7,571 million due to the higher transport volumes and oil price.

Staff costs rose 4.8% to €4,327 million (previous year: €4,128 million). The greater business volume in the SUPPLY CHAIN division in particular led to an increase in staff numbers.

At €316 million, depreciation, amortisation and impairment losses were almost unchanged from the previous year's level of €308 million.

Other operating expenses were down €31 million on the previous year's figure at €837 million. The decline in advertising and public relations expenses was particularly noticeable.

Significant improvement in consolidated EBIT

Profit from operating activities (EBIT) improved significantly compared with the first quarter of 2011, rising by 9.9% or €62 million to €691 million.

Net financial income also improved, increasing to €76 million (previous year: net finance costs of €161 million). This is mainly attributable to the disposal gain recorded on the Postbank sale.

Profit before income taxes increased from €468 million in the first quarter of 2011 to €767 million in the reporting period. Income taxes amounted to €207 million (previous year: €117 million).

Consolidated net profit and earnings per share rise sharply

Consolidated net profit for the period increased from €351 million to €560 million. Of this amount, €533 million is attributable to shareholders of Deutsche Post AG and €27 million to non-controlling interest holders. Both basic and diluted earnings per share rose from €0.27 to €0.44.

Financial position

09 Selected cash flow indicators

€m	Q1 2011	Q1 2012
Cash and cash equivalents as at 31 March	2,943	2,394
Change in cash and cash equivalents	–424	–712
Net cash used in operating activities	–34	–357
Net cash used in investing activities	–237	–238
Net cash used in financing activities	–153	–117

Liquidity situation remains sufficient

The principles and aims of our financial management as presented in the 2011 Annual Report remain valid and are being pursued unchanged, as is our finance strategy.

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In the first quarter of 2012, the "FFO to debt" dynamic performance metric declined slightly as anticipated due to the annual prepayment made to the Bundes-Pensions-Service für Post und Telekommunikation, although funds from operations increased.

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Due to the state aid ruling of the European Commission, the rating agency Standard & Poor's has put our credit rating on credit watch with negative implications. Completion of the Postbank transaction on 25 February 2012 did not impact our net debt or liquidity, given that the financial liabilities reported in this regard were settled via a transfer of Postbank shares and not in the form of cash.

Note 20

Since our liquidity remains sufficient, the five-year syndicated credit facility agreed upon in a total volume of €2 billion was not drawn down during the reporting period. As at 31 March 2012, the Group had cash and cash equivalents of €2.4 billion.

To cover our long-term capital requirements, particularly in view of the fact that the bond issued by Deutsche Post Finance B.V. in the amount of €0.7 billion will fall due in October 2012, we established a Debt Issuance Programme in the amount of €3 billion at the end of March 2012. This offers us the possibility of issuing bonds in customised tranches up to the agreed total amount and enables us to react flexibly to changing market conditions.

10 FFO to debt

€m	1 Jan. to 31 Dec. 2011	1 April 2011 to 31 March 2012
Operating cash flow before changes in working capital	2,234	2,243
⊕ Interest and dividends received	72	74
⊖ Interest paid	163	153
⊕ Adjustment for operating leases	1,104	1,104
⊕ Adjustment for pensions	153	153
⊕ Non-recurring income/expenses	208	238
⊜ Funds from operations (FFO)	**3,608**	**3,659**
Reported financial liabilities[1]	7,010	2,517
⊖ Financial liabilities related to the sale of Deutsche Postbank AG[1]	4,344	0
⊖ Financial liabilities at fair value through profit or loss[1]	137	93
⊕ Adjustment for operating leases[2]	5,295	5,295
⊕ Adjustment for pensions[2]	5,639	5,639
⊖ Surplus cash and near-cash investments[1, 3]	2,286	1,500
⊜ Debt	**11,177**	**11,858**
FFO to debt (%)	**32.3**	**30.9**

[1] As at 31 December 2011 and 31 March 2012, respectively.
[2] As at 31 December 2011.
[3] Surplus cash and near-cash investments are defined as cash and cash equivalents and investment funds callable at sight, less cash needed for operations.

Capital expenditure higher than in the previous year

The Group's aggregate capital expenditure (capex) amounted to €305 million as at the end of March 2012, which reflects a year-on-year increase of 21% (previous year: €252 million). Funds were used mainly to replace and expand assets as follows: €243 million was invested in property, plant and equipment and €62 million in intangible assets excluding goodwill. Investments in property, plant and equipment related primarily to advance payments and assets under development (€141 million), transport equipment (€30 million), technical equipment and machinery (€17 million), aircraft (€16 million) and IT equipment (€15 million).

Regionally, we focused mainly on Europe and the Americas, whilst significantly increasing investments in Asia Pacific.

11 Capex and depreciation, amortisation and impairment losses, Q1

	MAIL		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Group	
	2011 adjusted	2012	2011 adjusted	2012	2011 adjusted	2012	2011 adjusted	2012	2011	2012	2011	2012
Capex (€m)	48	35	82	127	21	32	60	65	41	46	**252**	**305**
Depreciation, amortisation and impairment losses (€m)	79	80	81	90	26	27	73	69	49	50	**308**	**316**
Ratio of capex to depreciation, amortisation and impairment losses	0.61	0.44	1.01	1.41	0.81	1.19	0.82	0.94	0.84	0.92	**0.82**	**0.97**

Capital expenditure in the MAIL division declined in the reporting period from €48 million to €35 million. Investments were made primarily in our digital platforms, such as the E-Postbrief, and the Parcel 2012 Production Concept. Additionally, further investments were made in office equipment to support Deutsche Post's retail outlet network.

In the EXPRESS division, capital expenditure in the reporting period increased substantially to €127 million (previous year: €82 million), particularly because we continually modernise and improve our aircraft fleet. The majority of the investments in aviation were advance payments and assets under development. In addition, investments in North America and China exceeded the prior-year level.

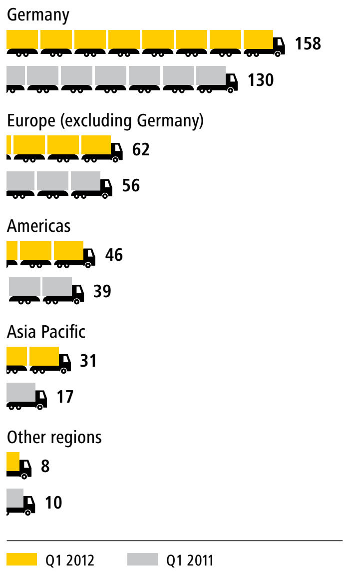
A total of €32 million was invested in the GLOBAL FORWARDING, FREIGHT division (previous year: €21 million). Of this figure, €25 million was attributable to the Global Forwarding business unit, where we improved IT solutions and fitted out and modernised warehouses across all regions, with the main focus on Europe, the Middle East and Africa. In the Freight business unit, we invested €7 million mainly in land and buildings, and terminal and transport equipment.

In the SUPPLY CHAIN division, capital expenditure amounted to €65 million (previous year: €60 million). Of this investment, €61 million related to the Supply Chain business, €3 million to Williams Lea and €1 million to central entities. The funds supported primarily new business projects in the Americas and Europe. The majority of spend in the Williams Lea business unit related to IT investments.

Cross-divisional capital expenditure increased by 12% to €46 million (previous year: €41 million). The purchase of vehicles and IT investments accounted for the highest share of expenditure.

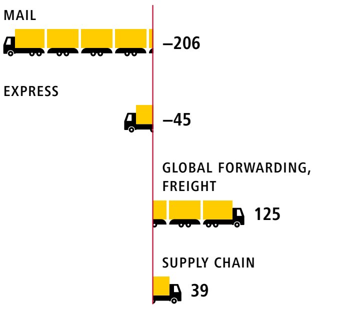
12 Capex by region

€m



13 Operating cash flow by division, Q1 2012

€m



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Decrease in operating cash flow

Net cash used in operating activities amounted to €357 million in the first quarter of 2012, €323 million higher than last year. Although EBIT improved by €62 million, the net change in provisions reduced the operating cash flow by €46 million. At €637 million, net cash from operating activities before changes in working capital was up slightly on the previous year's figure of €628 million. However, the changes in working capital led to a cash outflow of €994 million, €332 million more than in the first quarter of 2011. This was largely due to the higher cash outflows resulting from the reduction in trade payables. Operating cash flow is regularly impacted in the first quarter by the annual contribution to the Bundes-Pensions-Service für Post und Telekommunikation payable in advance in January each year; the 2012 payment was €530 million.

At €238 million, net cash used in investing activities was on a level with the previous year's figure of €237 million. Investments in property, plant and equipment were the most significant item in this area. The main areas of investment are described in the capital expenditure section.

14 Calculation of free cash flow

€m	Q1 2011	Q1 2012
Net cash used in operating activities	**−34**	**−357**
Sale of property, plant and equipment and intangible assets	52	56
Acquisition of property, plant and equipment and intangible assets	−305	−314
Cash outflow arising from change in property, plant and equipment and intangible assets	**−253**	**−258**
Disposal of subsidiaries and other business units	0	0
Acquisition of subsidiaries and other business units	0	2
Cash inflow arising from acquisitions/divestments	**0**	**2**
Interest received	12	14
Interest paid	−67	−57
Net interest paid	**−55**	**−43**
Free cash flow	**−342**	**−656**

Free cash flow declined from €−342 million in the first quarter of 2011 to €−656 million in the reporting period, largely due to the rise in net cash used in operating activities.

Net cash used in financing activities declined by €36 million to €117 million. The most significant item in this area was interest payments, which were down €10 million year-on-year at €57 million.

Compared with 31 December 2011, cash and cash equivalents fell from €3,123 million to €2,394 million due to the changes in the cash flows from the individual activities.

Assets and liabilities

15 Selected indicators for net assets

		31 Dec. 2011	31 March 2012
Equity ratio	%	29.2	34.2
Net liquidity (–)/net debt (+)	€m	–938	–308
Net interest cover		11.4	16.1
FFO to debt[1]	%	32.3	30.9

[1] For calculation page 8.

Consolidated total assets decrease

The Group's total assets amounted to €34,001 million as at 31 March 2012, €4,407 million lower than at 31 December 2011 (€38,408 million).

The sale of Postbank to Deutsche Bank was completed at the end of February and all of the associated financial instruments, assets held for sale and liabilities were derecognised.

At €20,995 million, non-current assets were almost unchanged compared with the prior-year figure of €21,225 million. Intangible assets declined from €12,196 million to €12,062 million, mainly due to a reduction in goodwill resulting from currency effects. At €6,453 million, property, plant and equipment was on a level with 31 December 2011 (€6,493 million). Other non-current assets rose from €570 million to €598 million. Deferred tax assets declined by €97 million to €1,056 million.

Current assets decreased by €4,177 million to €13,006 million as at the reporting date. In particular, the completion of the sale of all Postbank shares caused current financial assets to decline from €2,498 million to €195 million. Assets held for sale declined from €1,961 million to €28 million. The acquisition of the remaining Postbank shares by Deutsche Bank reduced this balance sheet item by €1,916 million. Receivables and other current assets increased by €755 million to €9,844 million, with the accrual of the prepaid annual contribution to the Bundes-Pensions-Service accounting for €398 million of this increase. Cash and cash equivalents declined by €729 million to €2,394 million.

At €11,422 million, equity attributable to Deutsche Post shareholders was €413 million or 3.8% higher than at 31 December 2011. Whilst consolidated net profit for the period increased equity, it was reduced by negative currency effects and changes in the revaluation reserve.

Current and non-current liabilities declined by €4,623 million to €13,578 million. It was mainly the completed sale of the remaining Postbank shares that reduced current financial liabilities by €4,486 million to €1,158 million as at the reporting date (31 December 2011: €5,644 million). Trade payables also declined by €645 million to €5,523 million. However, other current liabilities increased by €453 million to €4,559 million, mainly in connection with wages, salaries and severance payments. Current and non-current provisions declined from €9,008 million as at 31 December 2011 to €8,792 million as at the reporting date. This is due in particular to the utilisation of provisions for restructurings we recognised in previous years.

Balance sheet indicators remain positive

Our net liquidity declined from €938 million as at 31 December 2011 to €308 million as at 31 March 2012, also because of the regular prepaid annual contribution to the Bundes-Pensions-Service in the first quarter, which amounted to €530 million during the reporting period. The equity ratio improved by 5.0 percentage points to 34.2%, mainly due to the disposal of Postbank. Net interest cover shows the extent to which net interest obligations are covered by EBIT. This indicator increased from 11.4 to 16.1. As we have net liquidity, the informative value of net gearing is limited. We therefore do not present or comment on it here.

16 Net liquidity (–)/net debt (+)

€m	31 Dec. 2011	31 March 2012
Non-current financial liabilities	1,346	1,340
+ Current financial liabilities	5,588	1,130
= Financial liabilities	6,934	2,470
– Cash and cash equivalents	3,123	2,394
– Current financial assets	2,498	195
– Long-term deposits[1]	56	56
– Positive fair value of non-current financial derivatives[1]	94	97
= Financial assets	5,771	2,742
– Financial liabilities to Williams Lea minority shareholders	36	36
– Mandatory exchangeable bond[2]	2,926	0
– Collateral for the put option[2]	1,298	0
+ Net effect from measurement of Postbank derivatives[3]	2,159	0
= Non-cash adjustments	2,101	36
Net liquidity (–)/net debt (+)	–938	–308

[1] Reported in non-current financial assets in the balance sheet.
[2] Reported in current financial liabilities in the balance sheet.
[3] Reported in current financial assets and liabilities in the balance sheet.

DIVISIONS

Overview

17 Key figures by operating division

€m	Q1 2011 adjusted	Q1 2012	+/– %
MAIL			
Revenue	3,520	3,557	1.1
of which Mail Communication	1,386	1,371	–1.1
Dialogue Marketing	679	649	–4.4
Press Services	202	198	–2.0
Value-Added Services	56	58	3.6
Parcel Germany	749	844	12.7
Retail Outlets	198	210	6.1
Global Mail	426	417	–2.1
Pension Service	23	24	4.3
Consolidation/Other	–199	–214	–7.5
Profit from operating activities (EBIT)	373	393	5.4
Return on sales (%)[1]	10.6	11.0	–
Operating cash flow	–148	–206	–39.2
EXPRESS			
Revenue	2,750	3,020	9.8
of which Europe[2]	1,296	1,379	6.4
Americas	453	513	13.2
Asia Pacific	841	983	16.9
MEA (Middle East and Africa)[2]	203	231	13.8
Consolidation/Other	–43	–86	–100
Profit from operating activities (EBIT)	214	231	7.9
Return on sales (%)[1]	7.8	7.6	–
Operating cash flow	133	–45	<–100
GLOBAL FORWARDING, FREIGHT			
Revenue	3,599	3,686	2.4
of which Global Forwarding	2,632	2,670	1.4
Freight	999	1,048	4.9
Consolidation/Other	–32	–32	0.0
Profit from operating activities (EBIT)	71	87	22.5
Return on sales (%)[1]	2.0	2.4	–
Operating cash flow	121	125	3.3
SUPPLY CHAIN			
Revenue	3,216	3,409	6.0
of which Supply Chain	2,957	3,088	4.4
Williams Lea	259	321	23.9
Consolidation/Other	0	0	–
Profit from operating activities (EBIT)	78	91	16.7
Return on sales (%)[1]	2.4	2.7	–
Operating cash flow	56	39	–30.4

[1] EBIT/revenue.
[2] At the beginning of 2012 we transferred some Eastern European countries from the previous EEMEA region to the Europe region and adjusted the prior-year amounts accordingly.

MAIL division

Revenue increases slightly

In the first quarter of 2012, which had one additional working day, revenue was €3,557 million and therefore slightly above the prior year's figure of €3,520 million. We encountered positive currency effects of €7 million.

Number of business customer letters reaches high prior-year level

In the Mail Communication business unit, we delivered nearly as many letters on behalf of our business customers as in the first quarter of 2011. Revenue generated from this business was just below the prior year's figure because although we retained and won back quality-conscious customers, some of our price-sensitive customers turned to competitors. Information on market volumes is collected each year; for the latest figures, please see page 61 of the 2011 Annual Report.

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18 Mail Communication: volumes

mail items (millions)	Q1 2011	Q1 2012	+/– %
Business customer letters	1,750	1,739	–0.6
Private customer letters	297	285	–4.0
Total	**2,047**	**2,024**	**–1.1**

Cautious advertising spending in traditional mail-order business impacts revenue

Since the beginning of the year, traditional mail-order businesses have held back on advertising expenditures, which is evidenced by revenue and sales in addressed advertising mail. Sales volumes of the other products in the Dialogue Marketing business unit were at prior-year levels; *Einkaufaktuell* recorded encouraging growth in volume. Revenue in the business unit decreased by 4.4% to €649 million (previous year: €679 million).

19 Dialogue Marketing: volumes

mail items (millions)	Q1 2011	Q1 2012	+/– %
Addressed advertising mail	1,567	1,491	–4.9
Unaddressed advertising mail	1,069	1,120	4.8
Total	**2,636**	**2,611**	**–0.9**

Press services revenue below prior year

Revenue in the Press Services business unit totalled €198 million in the reporting period, 2.0% below the prior-year figure of €202 million. The German press services market, the volume of which is described on page 62 of our 2011 Annual Report, continues to decline. Newspaper and magazine circulation is declining, although item weights remain stable.

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Increased revenue from value-added services

Revenue in the Value-Added Services business unit reached €58 million, exceeding the previous year's figure of €56 million by 3.6%. This growth stems from our document management and mailroom services.

Parcel business sees continued strong growth

Revenue in the Parcel Germany business unit reached €844 million in the reporting period, improving on the previous year's high figure of €749 million by 12.7%. This strong growth is connected primarily with the flourishing e-commerce business. Our range of products and delivery services are playing a significant role in this growth.

20 Parcel Germany: volumes

parcels (millions)	Q1 2011	Q1 2012	+/– %
Business customer parcels[1]	179	206	15.1
Private customer parcels	27	28	3.7
Total	**206**	**234**	**13.6**

[1] Including intragroup sales.

Retail outlet revenue exceeds prior-year level

Revenue generated by our approximately 20,000 retail outlets and sales points amounted to €210 million in the reporting period, a 6.1% increase over the previous year's level (€198 million).

Lower revenue and volumes in international mail business

In the Global Mail business unit, revenue and volumes declined year-on-year primarily because we discontinued parts of our business, these being the bulk mail business in the Netherlands during the previous year and the domestic business in the UK during the reporting period. Revenue was €417 million, 2.1% below the prior year's figure of €426 million. We saw encouraging growth in our traditional export business, in international mail from the Asia Pacific region and in the USA.

21 Mail International: volumes

mail items (millions)	Q1 2011	Q1 2012	+/– %
Global Mail	1,089	499	–54.2

Increased earnings

Divisional EBIT reached €393 million, exceeding the prior year's figure of €373 million. Higher revenues in the parcel business and strict cost management contributed considerably to this. Return on sales was 11.0%.

Operating cash flow was €–206 million (previous year: €–148 million). This figure is impacted in the first quarter of each year by the annual payments to the Bundes-Pensions-Service für Post und Telekommunikation. Moreover, the re-transfer of receivables in connection with the discontinuation of a financial factoring negatively impacted the operating cash flow. Working capital was €–367 million, slightly below the low level of the prior year (€–491 million).

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EXPRESS division

Positive trend continues in international express business

In the EXPRESS division, revenue increased strongly year-on-year by 9.8% in the first quarter of 2012 from €2,750 million to €3,020 million. The figure for the prior year still included revenues of €66 million related to the sold domestic express business in China, Canada and Australia. Excluding these sales and positive currency effects of €75 million, revenue grew by 9.5%, due primarily to the sustained positive development in the economy and the resulting rise in international time-definite shipment volumes.

The positive trend of the previous year continued in the reporting period, in some cases it even increased: in the TDI product line, our customers sent 9.6% more shipments each day than in the first quarter of the previous year and weight per shipment rose by 4.3%. The daily shipment volumes in the TDD product line were up by 5.9% year-on-year; in the DDD product line they declined by 21.7% due to the disposal of domestic businesses mentioned above.

Effective 1 January 2012, we aligned the structure of our regions with management responsibility. We transferred Turkey as well as Russia and other Eastern Europe countries from the EEMEA region (Eastern Europe, the Middle East and Africa) to the Europe region. The EEMEA region was renamed MEA (Middle East and Africa). Furthermore, responsibility for the less-than-truckload and part-truckload business in the Czech Republic was transferred to the GLOBAL FORWARDING, FREIGHT division. The previous year's segment reporting figures were adjusted accordingly.

22 EXPRESS: revenue by product

€m per day[1]	Q1 2011 adjusted	Q1 2012	+/– %
Time Definite International (TDI)	26.8	29.3	9.3
Time Definite Domestic (TDD)	5.1	5.0	–2.0
Day Definite Domestic (DDD)	3.6	2.8	–22.2

[1] To assure comparability, product revenues were translated at uniform exchange rates. These revenues are also the basis for the weighted calculation of working days.

23 EXPRESS: volumes by product

thousands of items per day[1]	Q1 2011 adjusted	Q1 2012	+/– %
Time Definite International (TDI)	513	562	9.6
Time Definite Domestic (TDD)	693	734	5.9
Day Definite Domestic (DDD)	364	285	–21.7

[1] To assure comparability, product revenues were translated at uniform exchange rates. These revenues are also the basis for the weighted calculation of working days.

Revenue and volumes up in the Europe region

In the Europe region, revenue increased by 6.4% to €1,379 million in the first quarter of 2012 (previous year, adjusted: €1,296 million). This figure included positive currency effects of €6 million related mainly to our business activities in Switzerland, the UK, Scandinavia and Eastern Europe. Excluding these effects, revenue growth was 5.9%, due particularly to the considerable rise of 8.7% in daily shipment volumes in the TDI product line compared with the prior year.

Double-digit growth in revenue and volumes in the Americas region

In the Americas region, revenue rose by 13.2% to €513 million in the reporting period (previous year: €453 million). This figure includes the sale of our domestic express business in Canada in the amount of €49 million and positive currency effects of €20 million. Excluding these effects, revenue rose sharply by 19.6% in the Americas region, mainly attributable to the sustained positive business trend in the United States. We made 12.7% more daily deliveries in the TDI product line than in the prior-year quarter.

Encouraging business growth in the Asia Pacific region

In the Asia Pacific region, revenue grew very robustly by 16.9% to €983 million in the first quarter of 2012 (previous year: €841 million). In the prior year this figure still included revenues related to the sold domestic express business in China and Australia in the amount of €18 million. Excluding this effect and positive currency effects of €46 million, revenue growth in the reporting period was 13.6% year-on-year. The daily shipment volumes in the TDI product line increased by 9.5% compared with the same quarter last year.

Continued strong growth in the MEA region

Although the political unrest in the Middle East persists, our revenue in the MEA region (Middle East and Africa) rose significantly by 13.8% to €231 million, up from €203 million (adjusted) in the previous year. This figure includes positive currency effects of €5 million. Excluding these effects, revenue growth was still in double-digits at 11.3%. Daily shipment volumes increased significantly, rising by 6.8% in the TDI product line and by 14.6% in the TDD product line.

EBIT improvement continues

EBIT in the EXPRESS division rose in the reporting period by €17 million to €231 million (previous year: €214 million). Strong growth in revenue and volumes was offset by high fuel costs and expenses for expanding our air freight capacities on important trade lanes. These additional costs caused our return on sales in the reporting period to be 7.6% and therefore almost on par with the prior-year level.

Operating cash flow declined by €178 million year-on-year to €–45 million. Our working capital was unusually low at the end of 2011; it normalised in the first quarter of 2012. As a result, our cash outflow increased. In addition, we had higher payments for restructuring in the USA.

GLOBAL FORWARDING, FREIGHT division

Freight forwarding business improves after moderate start to the year

In the GLOBAL FORWARDING, FREIGHT division, revenue increased in the first quarter of 2012 by 2.4% to €3,686 million (previous year: €3,599 million). This figure includes positive currency effects of €72 million. After a moderate start to the year, business improved over the course of the quarter.

In the Global Forwarding business unit, revenue increased by 1.4% from €2,632 million to €2,670 million. Excluding positive currency effects of €69 million, revenue decreased by 1.2%. We were able to improve gross profit by 8.9% from €571 million to €622 million.

Higher gross profits despite slight revenue declines

Revenues in the air and ocean freight business followed a downward trend in the reporting period. Whilst ocean freight shipping volumes increased, air freight shipping volumes declined. Despite a further rise in fuel prices, air freight rates remained stable even whilst ocean freight rates fell. Accordingly, our operating margin in the ocean freight business improved by a double-digit percentage.

Our air freight volumes were down by 8.7% compared with the prior year. Revenue declined by 2.5% in the quarter. As a result of surplus capacities in the market, we were able to purchase cargo space at better conditions, which allowed us to increase our gross profit by 4.6%.

Volumes in our ocean freight business were 3.7% higher than in the prior-year period. Due to cost pressure, our customers transferred part of their business from air freight to ocean freight. Freight rates declined on selected trade lanes. Revenue decreased by 5.5%. Nevertheless, we increased gross profit by 10.0%.

In our industrial project business (in table 24 reported as part of Other), we saw growth, with gross profit continuing to increase compared with the previous year.

24 Global Forwarding: revenue

€m	Q1 2011	Q1 2012	+/–%
Air freight	1,345	1,312	–2.5
Ocean freight	877	829	–5.5
Other	410	529	29.0
Total	**2,632**	**2,670**	**1.4**

25 Global Forwarding: volumes

thousands		Q1 2011	Q1 2012	+/–%
Air freight	tonnes	1,087	992	–8.7
of which exports	tonnes	596	552	–7.4
Ocean freight	TEUS[1]	648	672	3.7

[1] Twenty-foot equivalent units.

European overland transport sees continued stable growth

In the Freight business unit, revenue rose by 4.9% to €1,048 million in the reporting period (previous year: €999 million), which is largely attributable to growth in Germany and Eastern Europe. This figure includes positive currency effects of €3 million as well as business from Standard Forwarding in the United States, which we acquired in June 2011. Although pressure on margins remained high, gross profit grew by 11.3%, from €257 million to €286 million. We further increased our productivity through strict cost management, amongst other things.

Effective 1 January 2012, responsibility for the less-than-truckload and part-truckload business in the Czech Republic was transferred from the EXPRESS division to Freight. The previous year's segment reporting figures were adjusted accordingly.

Increased EBIT and operating cash flow

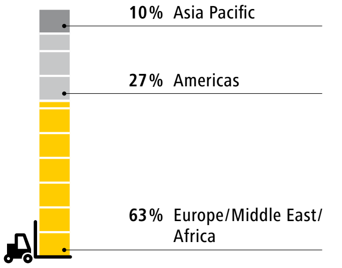
Due to high gross profit margins and increased efficiency, EBIT in the GLOBAL FORWARDING, FREIGHT division was up by 22.5%, from €71 million to €87 million. Return on sales amounted to 2.4% (previous year: 2.0%).

Operating cash flow increased by €4 million to €125 million (previous year: €121 million) compared with the first quarter of 2011 because volumes declined slightly during the reporting period and we have improved how we are controlling net working capital.

SUPPLY CHAIN division

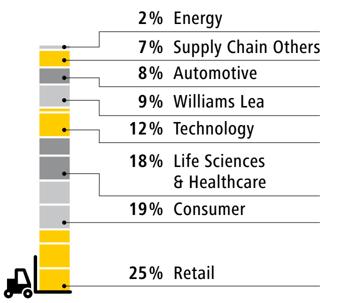
26 SUPPLY CHAIN: revenue by region, Q1 2012

Total revenue: €3,409 million



27 SUPPLY CHAIN: revenue by sector, Q1 2012

Total revenue: €3,409 million



Revenue up 6.0%

In the SUPPLY CHAIN division, revenue for the first quarter of 2012 was €3,409 million (previous year: €3,216 million), an increase of 6.0%. Positive currency effects as well as the Eurodifarm and Tag Group acquisitions in 2011 increased revenue by €138 million. This offset the revenue loss that resulted from the sale of Exel Transportation Services (ETS) in the first quarter. Excluding these effects, revenue growth was 5.7% with the Automotive and Life Sciences & Healthcare sectors providing the largest increase.

In the Supply Chain business unit, revenue grew by 4.4% to €3,088 million from €2,957 million in the previous year. Growth amounted to 5.7% excluding the ETS disposal, the Eurodifarm acquisition and positive currency effects. Revenue from our 21 key global customers grew by 9.9%.

Excluding the ETS disposal and currency effects, revenue growth was highest in the Americas region driven by strong volumes in the Consumer, Life Sciences & Healthcare and Automotive sectors as well as by additional revenue from new business.

In the Asia Pacific region, we maintained our strong progress with increased volumes and revenues from new business primarily from Australia, Thailand, Indonesia and Japan.

In Europe, the revenue improvement came largely from higher Life Sciences & Healthcare sector volumes boosted by the addition of the Eurodifarm business.

Williams Lea revenue was €321 million in the first quarter, an increase of 23.9% year-on-year (previous year: €259 million). Excluding revenue gained through the Tag acquisition and positive currency effects, growth was 5.0%. Most of this growth came from the Marketing Solutions business in the Americas.

Business wins of €190 million achieved

In the Supply Chain business unit, we concluded additional contracts worth around €190 million in annualised revenue with both new and existing customers. A high level of gains was in the Consumer and Retail sectors. Nearly a quarter of new business was achieved in the Technology sector. The annualised contract renewal rate was in line with the previous years' high level.

EBIT and margins continue to increase

EBIT in the SUPPLY CHAIN division was €91 million in the first quarter of 2012, an increase of 16.7% (previous year: €78 million). The EBIT margin rose from 2.4% to 2.7%, primarily due to the increase in business activity, improved contract portfolio management and continued cost efficiencies from operational and overhead leverage.

Operating cash flow was €39 million (previous year: €56 million). Higher earnings were partly offset by cash outflow associated with provision movements.

NON-FINANCIAL PERFORMANCE INDICATORS

Employees

Slight increase in number of employees

The average number of employees (full-time equivalents) increased slightly to 424,459 in the first three months of 2012, a 0.3% increase compared with the previous year's average.

Our current planning calls for increasing slightly the number of employees in financial year 2012.

Research and development

No research and development in the narrower sense

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

FURTHER DEVELOPMENTS

Appeal of the European Commission's state aid ruling

At the start of April 2012, Deutsche Post AG filed an appeal with the European Court of Justice. The company is thus defending itself against the requirement of the European Commission that it repay state aid. Further information on the case is provided in the 2011 Annual Report beginning on page 216.

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OUTLOOK

Overall assessment of expected performance

Full-year earnings forecast confirmed

We continue to assume that the world economy will grow by 3% to 3.5% and that world trade would exceed this growth. Based on this assumption and given our good performance over the first three months, we are confirming our forecast of consolidated EBIT for financial year 2012 to reach between €2.5 billion and €2.6 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure. Compared with the previous year, we expect an additional improvement in overall earnings to approximately €1.9 billion in the DHL divisions. At around €–0.4 billion, the Corporate Center/Other result should be on par with the previous year. Consolidated net profit before effects from the Postbank transaction is expected to continue to improve in 2012 in line with our operating business.

Opportunities and risks

Management provided with continuous updates

We use a Group-wide, uniform control process to identify and measure opportunities and risks at an early stage and to take the appropriate action with a view to sustainable corporate development. Management is systematically informed of events or changes that could significantly impact our business operations. We describe our opportunity and risk management process and the significant risks affecting our earnings, financial position and assets and liabilities in the 2011 Annual Report beginning on page 98.

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Opportunities

For information on the Group's unchanged economic opportunities, please refer to the 2011 Annual Report beginning on page 101.

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Appeal of the European Commission's state aid ruling

The European Commission's decision of 25 January 2012 ended the formal state aid investigation that it had initiated on 12 September 2007. Further information on the case is provided in the 2011 Annual Report beginning on page 216. In its review of the funding of civil servants' pensions, the European Commission concluded that Deutsche Post AG had received illegal state aid to fund the pensions. Deutsche Post AG believes that the decision cannot withstand legal review and appealed it to the European Court of Justice in Luxembourg on 4 April 2012. The Federal Republic of Germany also filed an appeal.

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Bundesnetzagentur reaches a decision on Infopost

The *Bundesnetzagentur* (German federal network agency) ruled on 30 April 2012 that Deutsche Post AG had violated the prohibition of discrimination pursuant to the *Postgesetz* (PostG – German Postal Act) by charging different fees for the transport of identical invoices and for invoices containing different invoice amounts. Deutsche Post AG was issued an immediate cease and desist order with respect to the discrimination determined, which it was called upon to implement no later than 31 December 2012. Deutsche Post does not share the legal opinion of the German federal network agency and will appeal the decision to the administrative courts. In the event of implementation of the ruling, it can be expected that revenues and earnings would be negatively impacted.

European Commission investigates the setting of surcharges

The European Commission has conducted a formal investigation into how surcharges and fees are set in the international freight forwarding industry. DHL Global Forwarding, along with all other major players in the industry, received a request for information in this context in October 2007. Having co-operated in the investigation, DHL Global Forwarding was granted a full reduction in fines in the decision of the European Commission on 28 March 2012.

@ dp-dhl.com/en/investors.html, 2011 Annual Report, Note 51

Overall assessment of risk position

In the first three months of 2012, no further significant risks or changes to such risks arose beyond those presented in detail in the 2011 Annual Report. At present, based on the Group's risk control system and in the estimation of the Board of Management of the Group, there are no identifiable risks that, individually or collectively, cast doubt upon the Group's ability to continue as a going concern.

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Future organisation

Change in Board of Management

As announced in the 2011 Annual Report, Angela Titzrath succeeded Walter Scheurle as the Board Member for Personnel on 1 May 2012.

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Future economic parameters

Global economic output to grow slowly

The global upturn is expected to continue in 2012, although the pace of growth will be modest. The International Monetary Fund (IMF) anticipates a rise in global economic output of 3.5%. For world trade, the IMF is projecting an increase of 4.0%. The European sovereign debt crisis is responsible for most of the economic risk.

In China, the government is still making efforts to keep inflation under control without slowing down the economy excessively. Economic growth will therefore be markedly lower than in the previous year, although it will remain very high on an international comparison (IMF: 8.2%).

The Japanese economy will presumably continue to recover from its economic setback. Exports are anticipated to increase perceptibly and gross fixed capital formation will also likely see a substantial rise on account of the rebuilding efforts after the earthquake. Private consumption is likewise expected to expand. Solid growth is therefore projected for overall GDP (IMF: 2.0%, Postbank Research: 1.8%).

In the United States, the economy is expected to pick up speed. Investments in machinery and equipment as well as construction spending are likely to increase considerably. Private consumption will increase slightly thanks to rising employment. Foreign trade is not expected to provide any positive stimulus. On the contrary, government spending is likely to put the brakes on the economy. On the whole, however, GDP is projected to grow more strongly than in the previous year (IMF: 2.1%, Postbank Research: 2.4%).

The euro zone economy is anticipated to overcome the recession during the course of the year. Positive stimulus is expected to come primarily from foreign trade. Exports will presumably see much stronger growth than imports. Within the euro zone, demand is likely to remain weak, with private consumption, gross fixed capital formation and government spending decreasing on the prior year. Total GDP is therefore likely to stagnate (ECB: –0.1%, Postbank Research: 0.2%).

The German economy is expected to suffer from soft demand from the other EMU countries. Export growth is forecast to weaken. The domestic economy in Germany, however, is currently on a solid footing. Investments in machinery and equipment as well as construction spending are anticipated to continue increasing. Private consumption will benefit from high demand for labour as well as rising wage and salary levels. Although the pace of growth will slow, GDP is likely to perform much better than in the euro zone as a whole (*Sachverständigenrat*: 0.8%; Postbank Research: 1.2%).

Revenue and earnings forecast

The global economy is expected to continue to see moderate growth in 2012 with an increase of 3% to 3.5%. The international trading volumes relevant for our business are likely to exceed the projected growth of the global economy. We are therefore anticipating the corresponding revenue growth, particularly in the DHL divisions.

Given our good performance over the first three months, we are confirming our forecast of consolidated EBIT for financial year 2012 to reach between €2.5 billion and €2.6 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure. Compared with the previous year, we expect an additional improvement in overall earnings to approximately €1.9 billion in the DHL divisions. At around €–0.4 billion, the Corporate Center/Other result should be on par with the previous year.

We plan to increase capital expenditure by approximately 6% to €1.8 billion. We expect to remain around this level in the following year. In line with our Group strategy, we are targeting organic growth and anticipate only a few small acquisitions in 2012, as in the previous year. In 2012, operating cash flow will only be impacted to a limited extent by the restructuring measures resolved in 2009.

Even in the face of an uncertain economic climate, particularly in the western economies, we believe that the Group will continue to experience good earnings momentum. The positive trend in our earnings that we are anticipating for 2012 is likely to continue into 2013. The cost reduction measures and growth programmes initiated in the MAIL division are expected to stabilise EBIT, even though letter volumes are likely to continue their slow decline due to electronic substitution. In the DHL divisions, we expect EBIT, taking the earnings contribution in 2010 as the baseline, to improve at an annual average of 13% to 15% in the period from 2011 to 2015 as trading volumes continue to recover.

Consolidated net profit before effects from the Postbank transaction is expected to continue to improve in 2012 in line with our operating business.

Our finance strategy calls for paying out 40% to 60% of net profits as dividends as a general rule. At the Annual General Meeting on 9 May 2012, we intend to propose to the shareholders that a dividend per share of €0.70 be paid for financial year 2011 (previous year: €0.65).

Projected financial position

Rating figures to feel temporary effect

As a result of the state aid ruling of the European Commission and the associated cash outflow, some important credit ratios will be affected temporarily. The rating agency Standard & Poor's has accordingly put our credit rating on credit watch with negative implications. Therefore, we cannot rule out the possibility that our rating will be lowered during the course of the year.

Note 20
Financial position, page 7

Liquidity situation remains solid

We anticipate a further deterioration in our liquidity in the second quarter of 2012 as a result of the dividend payment for financial year 2011 in May. However, our operating liquidity situation will improve again significantly towards the end of the year due to the upturn in business that is normal in the second half.

In connection with the Debt Issuance Programme we are currently analysing options for refinancing the bond issued by Deutsche Post Finance B.V. in the amount of €0.7 billion which matures in October 2012.

Financial position, page 7

Investments to increase

As described in our 2011 Annual Report, we intend to increase capital expenditure in 2012 to €1.8 billion. The majority of investments will go towards IT, machinery, transport equipment and aircraft.

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28 INCOME STATEMENT

1 January to 31 March

€m	2011 adjusted[1]	2012
Revenue	12,807	13,364
Other operating income	389	378
Total operating income	13,196	13,742
Materials expense	−7,263	−7,571
Staff costs	−4,128	−4,327
Depreciation, amortisation and impairment losses	−308	−316
Other operating expenses	−868	−837
Total operating expenses	−12,567	−13,051
Profit from operating activities (EBIT)	**629**	**691**
Net income from associates	58	0
Other financial income	79	568
Other finance costs	−296	−478
Foreign currency result	−2	−14
Net other finance costs/net other financial income	−219	76
Net finance costs/net financial income	**−161**	**76**
Profit before income taxes	**468**	**767**
Income taxes	−117	−207
Consolidated net profit for the period	**351**	**560**
attributable to Deutsche Post AG shareholders	325	533
attributable to non-controlling interests	26	27
Basic earnings per share (€)	**0.27**	**0.44**
Diluted earnings per share (€)	**0.27**	**0.44**

[1] Note 4.

29 STATEMENT OF COMPREHENSIVE INCOME

1 January to 31 March

€m	2011	2012
Consolidated net profit for the period	**351**	**560**
Currency translation reserve		
Changes from unrealised gains and losses	–281	–93
Changes from realised gains and losses	0	0
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	25	0
Changes from realised gains and losses	1	10
Revaluation reserve in accordance with IAS 39		
Changes from unrealised gains and losses	–6	0
Changes from realised gains and losses	0	0
Revaluation reserve in accordance with IFRS 3		
Changes from unrealised gains and losses	0	0
Changes from realised gains and losses	0	0
Income taxes relating to components of other comprehensive income	–8	–2
Share of other comprehensive income of associates (after tax)	10	–37
Other comprehensive income (after tax)	**–259**	**–122**
Total comprehensive income	**92**	**438**
attributable to Deutsche Post AG shareholders	77	415
attributable to non-controlling interests	15	23

30 BALANCE SHEET

€m	31 Dec. 2011	31 March 2012
ASSETS		
Intangible assets	12,196	12,062
Property, plant and equipment	6,493	6,453
Investment property	40	47
Investments in associates	44	46
Non-current financial assets	729	733
Other non-current assets	570	598
Deferred tax assets	1,153	1,056
Non-current assets	**21,225**	**20,995**
Inventories	273	287
Income tax assets	239	258
Receivables and other current assets	9,089	9,844
Current financial assets	2,498	195
Cash and cash equivalents	3,123	2,394
Assets held for sale	1,961	28
Current assets	**17,183**	**13,006**
Total ASSETS	**38,408**	**34,001**
EQUITY AND LIABILITIES		
Issued capital	1,209	1,208
Other reserves	1,714	1,615
Retained earnings	8,086	8,599
Equity attributable to Deutsche Post AG shareholders	11,009	11,422
Non-controlling interests	190	209
Equity	**11,199**	**11,631**
Provisions for pensions and similar obligations	4,445	4,445
Deferred tax liabilities	255	231
Other non-current provisions	2,174	2,042
Non-current provisions	6,874	6,718
Non-current financial liabilities	1,366	1,359
Other non-current liabilities	347	339
Non-current liabilities	1,713	1,698
Non-current provisions and liabilities	**8,587**	**8,416**
Current provisions	2,134	2,074
Current financial liabilities	5,644	1,158
Trade payables	6,168	5,523
Income tax liabilities	570	640
Other current liabilities	4,106	4,559
Liabilities associated with assets held for sale	0	0
Current liabilities	16,488	11,880
Current provisions and liabilities	**18,622**	**13,954**
Total EQUITY AND LIABILITIES	**38,408**	**34,001**

31 CASH FLOW STATEMENT

1 January to 31 March

€m	2011	2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	325	533
Consolidated net profit for the period attributable to non-controlling interests	26	27
Income taxes	117	207
Net other finance costs/net other financial income	219	–76
Net income from associates	–58	0
Profit from operating activities (EBIT)	629	691
Depreciation, amortisation and impairment losses	308	316
Net income from disposal of non-current assets	–10	–6
Non-cash income and expense	10	–1
Change in provisions	–198	–244
Change in other non-current assets and liabilities	–25	–28
Income taxes paid	–86	–91
Net cash from operating activities before changes in working capital	**628**	**637**
Changes in working capital		
Inventories	–15	–12
Receivables and other current assets	–838	–836
Liabilities and other items	191	–146
Net cash used in operating activities	**–34**	**–357**
Subsidiaries and other business units	0	0
Property, plant and equipment and intangible assets	52	56
Other non-current financial assets	8	5
Proceeds from disposal of non-current assets	60	61
Subsidiaries and other business units	0	2
Property, plant and equipment and intangible assets	–305	–314
Other non-current financial assets	–9	–11
Cash paid to acquire non-current assets	–314	–323
Interest received	12	14
Dividend received	0	0
Current financial assets	5	10
Net cash used in investing activities	**–237**	**–238**
Proceeds from issuance of non-current financial liabilities	7	5
Repayments of non-current financial liabilities	–31	–16
Change in current financial liabilities	–22	–32
Other financing activities	–14	6
Proceeds from transactions with non-controlling interests	0	0
Cash paid for transactions with non-controlling interests	0	0
Dividend paid to Deutsche Post AG shareholders	0	0
Dividend paid to non-controlling interest holders	–5	–1
Purchase of treasury shares	–21	–22
Interest paid	–67	–57
Net cash used in financing activities	**–153**	**–117**
Net change in cash and cash equivalents	–424	–712
Effect of changes in exchange rates on cash and cash equivalents	–42	–16
Changes in cash and cash equivalents associated with assets held for sale	–6	0
Changes in cash and cash equivalents due to changes in consolidated group	0	–1
Cash and cash equivalents at beginning of reporting period	3,415	3,123
Cash and cash equivalents at end of reporting period	**2,943**	**2,394**

32 STATEMENT OF CHANGES IN EQUITY

1 January to 31 March

€m		Other reserves							
	Issued capital	Capital reserves	IAS 39 reserves	IFRS 3 revaluation reserve	Currency translation reserve	Retained earnings	Equity attributable to Deutsche Post AG shareholders	Non-controlling interests	Total equity
Balance at 1 January 2011	1,209	2,158	53	6	−682	7,767	10,511	185	10,696
Capital transactions with owner									
Dividend	0	0	0	0	0	0	0	−5	−5
Transactions with non-controlling interests	0	0	0	0	0	0	0	0	0
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	0
Purchase of treasury shares	−2	0	0	0	0	−19	−21	0	−21
Share Matching Scheme (issuance)	0	19	0	0	0	0	19	0	19
Share Matching Scheme (exercise)	0	0	0	0	0	0	0	0	0
							−2	−5	−7
Total comprehensive income									
Consolidated net profit for the period	0	0	0	0	0	325	325	26	351
Currency translation differences	0	0	0	0	−273	0	−273	−11	−284
Other changes	0	0	25	0	0	0	25	0	25
							77	15	92
Balance at 31 March 2011	**1,207**	**2,177**	**78**	**6**	**−955**	**8,073**	**10,586**	**195**	**10,781**
Balance at 1 January 2012	1,209	2,170	56	5	−517	8,086	11,009	190	11,199
Capital transactions with owner									
Dividend	0	0	0	0	0	0	0	−1	−1
Transactions with non-controlling interests	0	0	0	0	0	0	0	0	0
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	−3	−3
Purchase of treasury shares	−1	0	0	0	0	−20	−21	0	−21
Share Matching Scheme (issuance)	0	19	0	0	0	0	19	0	19
Share Matching Scheme (exercise)	0	0	0	0	0	0	0	0	0
							−2	−4	−6
Total comprehensive income									
Consolidated net profit for the period	0	0	0	0	0	533	533	27	560
Currency translation differences	0	0	0	0	−45	0	−45	−4	−49
Other changes	0	0	−73	0	0	0	−73	0	−73
							415	23	438
Balance at 31 March 2012	**1,208**	**2,189**	**−17**	**5**	**−562**	**8,599**	**11,422**	**209**	**11,631**

SELECTED EXPLANATORY NOTES

Company information

Deutsche Post AG is a listed corporation domiciled in Bonn, Germany. The condensed consolidated interim financial statements of Deutsche Post AG and its subsidiaries cover the period from 1 January to 31 March 2012 and have been reviewed.

BASIS OF PREPARATION

1 Basis of accounting

The accompanying condensed consolidated interim financial statements as at 31 March 2012 were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board (IASB) for interim financial reporting, as adopted by the European Union. These interim financial statements thus include all information and disclosures required by IFRSs to be presented in condensed interim financial statements.

Preparation of the condensed consolidated interim financial statements for interim financial reporting in accordance with IAS 34 requires the Board of Management to exercise judgement and make estimates and assumptions that affect the application of accounting policies in the Group and the presentation of assets, liabilities, income and expenses. Actual amounts may differ from these estimates. The results obtained thus far in financial year 2012 are not necessarily an indication of how business will develop in the future.

The accounting policies applied to the condensed consolidated interim financial statements are generally based on the same accounting policies used in the consolidated financial statements for financial year 2011. For further information on the accounting policies applied, please refer to the consolidated financial statements for the year ended 31 December 2011, on which these interim financial statements are based.

The income tax expense for the reporting period was deferred on the basis of the tax rate expected to apply to the full financial year.

New developments in international accounting under IFRSs effective 1 January 2012

Departures from the accounting policies applied in financial year 2011 consist of the new or amended international accounting pronouncements under IFRSs required to be applied since financial year 2012.

The changes to IFRS 7 (Financial Instruments: Disclosures) relate to additional disclosure requirements for transfers of financial assets. They are designed to provide users of financial statements with an improved understanding of the effect of the risks remaining with the entity. The amendment is effective for financial years beginning on or after 1 July 2011.

The amendment has no major effects on the consolidated financial statements. Detailed explanations can be found in the 2011 Annual Report, Note 4 “New developments in international accounting under the IFRSs”.

2 Consolidated group

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

Consolidated group

	31 Dec. 2011	31 March 2012
Number of fully consolidated companies (subsidiaries)		
German	76	76
Foreign	754	750
Number of proportionately consolidated joint ventures		
German	1	1
Foreign	13	13
Number of equity-accounted companies (associates)[1]		
German	31	1
Foreign	28	8

[1] The equity interest in Deutsche Postbank AG was measured in accordance with IFRS 5 since March 2011 and was derecognised in February 2012.

Acquisitions in the period up to 31 March 2012

Deutsche Post DHL acquired the following company in the first quarter of 2012:

Acquisitions, 2012

Name	Country	Segment	Equity interest in %	Date of acquisition
Tag Belgium, Brussels (formerly Dentsu Brussels SA)	Belgium	SUPPLY CHAIN	100	1 Feb. 2012

Tag Belgium is active in the communications sector and specialises in the design, production and localisation of print media.

Insignificant acquisitions, 2012

€m 1 January to 31 March	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets	1	–	1
Current assets	3	–	3
Cash and cash equivalents	2	–	2
	6	–	6
EQUITY AND LIABILITIES			
Current liabilities and provisions	4	–	4
	4	–	4
Net assets			**2**

The calculation of goodwill is presented in the following table:

Goodwill, 2012

€m	Fair value
Cost	0
Less net assets	2
Negative goodwill	**–2**

Purchase price allocation resulted in negative goodwill of €2 million, which is reported in other operating income. The negative goodwill is attributable to the coverage of potential business risks. The effects on consolidated revenue and consolidated EBIT were insignificant.

Apart from the acquisition of Tag Belgium, no further investments were made in the first quarter of 2012 (previous year: €0 million). The purchase price for the company acquired was paid by transferring cash funds.

No companies were acquired in the prior-year period.

Disposal and deconsolidation effects in the period up to 31 March 2012

In the first quarter of 2012, DHL Global Forwarding & Co. LLC (DHL Oman), Oman, was deconsolidated, as the reasons for consolidation no longer existed. The company has been accounted for using the equity method since February 2012. The effects of deconsolidation are presented in the following table:

Disposal and deconsolidation effects

€m 1 January to 31 March 2012	DHL Oman
Current assets	8
Cash and cash equivalents	1
ASSETS	9
Current liabilities and provisions	6
EQUITY AND LIABILITIES	6
Net assets	**3**
Total consideration received	1
Non-controlling interests	2
Deconsolidation gain (+)/loss (–)	**0**

In the prior-year period, there were no disposal and deconsolidation effects from companies or business units.

Please see Note 3 for information on the sale of the interest in Deutsche Postbank AG.

3 Significant transactions

As part of the sale of shares of Deutsche Postbank, a further 27.4% interest in Deutsche Postbank AG was transferred to Deutsche Bank AG at the end of February 2012, when a mandatory exchangeable bond fell due. In addition, Deutsche Post AG exercised its put option for the remaining 12.1% of the shares it held in Postbank. Both transactions are part of a three-phase sale of shares agreed between the two companies in January 2009. Now that the second and third stages of the transaction have been completed, Deutsche Post AG no longer holds any shares in Deutsche Postbank AG. The financial instruments relating to the Postbank sale were measured for the last time in February 2012; no such measurement will be performed again in the future.

The effects of the Postbank sale for the first quarter of 2012 are as follows:

Effects of the disposal of Deutsche Postbank AG

€m	February 2012
Mandatory exchangeable bond	2,946
Cash collateral	1,305
Forward	−1,265
Put option	−566
Total	**2,420**
Less carrying amount of the investment	1,916
Total	**504**
Less expenses from the currency translation reserve	44
Plus income from the IAS 39 reserves	81
Disposal gain	**541**
Other effects of the Postbank sale	−355
Total effect	186

The disposal of the Postbank shares thus resulted in a total effect of €186 million which is reported in net financial income. The following table shows the other effects of the Postbank sale on the income statement:

Other effects of the Postbank sale

€m	Q1 2011	Q1 2012
Interest expense on exchangeable bond	−31	−20
Interest expense on cash collateral	−12	−8
Net loss on subsequent measurement of the forward	−42	−228
Net loss on measurements of the option (tranche III)	−19	−99
Impairment loss (–) on measurement of shares before reclassification under IFRS 5	−63	0
Reversal of impairment loss (+) on shares under IFRS 5	53	0
Total	**−114**	**−355**

4 Adjustment of prior-period amounts

Income statement

€m	Q1 2011	Adjustments	Q1 2011 adjusted
Revenue	12,842	−35	**12,807**
Materials expense	−7,298	35	**−7,263**

Until the third quarter of 2011, part of the reduction in income attributable to customer discounts was recognised under materials expense rather than revenue. These figures have been adjusted.

INCOME STATEMENT DISCLOSURES

5 Other operating income

€m	Q1 2011	Q1 2012
Insurance income	42	44
Income from the reversal of provisions	32	40
Income from currency translation differences	38	38
Rental and lease income	43	34
Income from fees and reimbursements	36	31
Commission income	9	19
Reversals of impairment losses on receivables and other assets	15	17
Income from work performed and capitalised	11	16
Gains on disposal of non-current assets	16	14
Income from the remeasurement of liabilities	13	13
Income from prior-period billings	23	8
Income from loss compensation	5	7
Income from derivatives	0	7
Recoveries on receivables previously written off	11	3
Income from the derecognition of liabilities	10	2
Subsidies	1	2
Miscellaneous	84	83
Total	**389**	**378**

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

6 Other operating expenses

€m	Q1 2011	Q1 2012
Travel and training costs	77	80
Cost of purchased cleaning, transport and security services	71	77
Other business taxes	72	72
Warranty expenses, refunds and compensation payments	63	63
Telecommunication costs	59	55
Insurance costs	47	55
Consulting costs (including tax advice)	42	43
Expenses for advertising and public relations	63	40
Office supplies	43	40
Expenses from currency translation differences	39	40
Write-downs of current assets	41	34
Entertainment and corporate hospitality expenses	30	31
Voluntary social benefits	21	21
Services provided by the Federal Posts and Telecommunications Agency	19	19
Contributions and fees	19	17
Commissions paid	14	17
Donations	14	15
Expenses from derivatives	4	13
Legal costs	17	11
Monetary transaction costs	7	10
Losses on disposal of assets	9	8
Audit costs	6	7
Prior-period other operating expenses	22	6
Additions to provisions	1	1
Miscellaneous	68	62
Total	**868**	**837**

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

7 Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses rose by €8 million year-on-year, from €308 million to €316 million. No impairment losses were charged in the first quarter of 2012 (previous year: €5 million).

Impairment losses

€m	Q1 2011	Q1 2012
SUPPLY CHAIN		
Property, plant and equipment	5	0
Impairment losses	**5**	**0**

The impairment losses for the previous year are attributable to land and buildings.

8 Net income from associates

Investments in companies on which a significant influence can be exercised and which are accounted for using the equity method contributed €0 million (previous year: €58 million) to net financial income; this item decreased as a result of the disposal of Deutsche Postbank AG.

9 Net other finance costs/net other financial income

The net other financial income of €76 million (previous year: net other finance costs of €219 million) is largely due to the effects of the Postbank sale, which was completed in February 2012; Note 3.

10 Earnings per share

Basic earnings per share in the period under review were €0.44.

Basic earnings per share

		Q1 2011	Q1 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	325	533
Weighted average number of shares outstanding	shares	1,208,465,874	1,208,515,874
Basic earnings per share	**€**	**0.27**	**0.44**

Diluted earnings per share in the reporting period were €0.44. Executives were entitled to 6,283,020 rights to shares as at the reporting date.

Diluted earnings per share

		Q1 2011	Q1 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	325	533
Weighted average number of shares outstanding	shares	1,208,465,874	1,208,515,874
Potentially dilutive shares	shares	1,434,295	2,482,599
Weighted average number of shares for diluted earnings	shares	1,209,900,169	1,210,998,473
Diluted earnings per share	€	**0.27**	**0.44**

BALANCE SHEET DISCLOSURES

11 Intangible assets and property, plant and equipment

Investments in intangible assets and property, plant and equipment amounted to €305 million in the period up to 31 March 2012 (previous year: €252 million). Of this figure, €62 million (previous year: €30 million) was attributable to intangible assets. Investments in property, plant and equipment are shown in the following table:

Investments in property, plant and equipment

€m	31 March 2011	31 March 2012
Property, plant and equipment		
Land and buildings (incl. leasehold improvements)	7	14
Technical equipment and machinery	28	17
Transport equipment	41	30
Aircraft	16	16
IT equipment	16	15
Other operating and office equipment	11	10
Advance payments and assets under development	103	141
Total	**222**	**243**

Goodwill changed as follows in the reporting period:

Change in goodwill

€m	2011	2012
Cost		
Balance at 1 January	11,759	12,074
Additions to consolidated group	136	0
Additions	4	0
Disposals	–34	0
Currency translation differences	209	–119
Balance at 31 December/31 March	**12,074**	**11,955**
Impairment losses		
Balance at 1 January	1,093	1,101
Disposals	–7	0
Currency translation differences	15	–3
Balance at 31 December/31 March	**1,101**	**1,098**
Carrying amount at 31 December/31 March	**10,973**	**10,857**

12 Investments in associates

The reclassification in the previous year of the carrying amount of the equity interest in Deutsche Postbank AG (€1,801 million) to assets held for sale led to a decline in investments in associates; Note 13.

Investments in associates

€m	2011	2012
Balance at 1 January	1,847	44
Additions	0	2
Changes in Group's share of equity		
Changes recognised in profit or loss	60	0
Profit distributions	0	0
Changes recognised in other comprehensive income	10	0
Impairment losses	–72	0
Elimination of intercompany profits and losses	0	0
Reclassified to current assets	–1,801	0
Carrying amount at 31 December/31 March	**44**	**46**

The additions relate mainly to DHL Oman, which was deconsolidated and has been accounted for using the equity method since February; Note 2.

13 Assets held for sale and liabilities associated with assets held for sale

€m	Assets		Liabilities	
	31 Dec. 2011	31 March 2012	31 Dec. 2011	31 March 2012
Investment in Deutsche Postbank AG (Corporate Center/Other)	1,916	0	0	0
Deutsche Post AG – real estate (Corporate Center/Other)	21	21	0	0
Deutsche Post Immobilienentwicklung Grundstücksgesellschaft mbH & Co. Logistikzentren KG, Germany – real estate (Corporate Center/Other)	15	0	0	0
US Express Aviation, USA – aircraft (EXPRESS segment)	4	4	0	0
Other	5	3	0	0
Assets held for sale and liabilities associated with assets held for sale	**1,961**	**28**	**0**	**0**

The sale of the shares in Deutsche Postbank AG held by Deutsche Post AG was completed at the end of February 2012. For further information, please refer to Note 3.

Deutsche Post Immobilienentwicklung Grundstücksgesellschaft, Germany, reclassified the two remaining properties still held for sale back to non-current assets due to lack of demand.

14 Issued capital and purchase of treasury shares

Issued capital

€	2011	2012
Balance at 1 January	1,209,015,874	1,209,015,874
Treasury shares acquired	–1,676,178	–1,500,340
Treasury shares issued	1,676,178	340
Balance at 31 December/31 March	**1,209,015,874**	**1,207,515,874**

In the first quarter of 2012, Deutsche Post AG acquired 1.5 million shares at a total price of €21.7 million, including transaction costs, to settle entitlements due under the 2011 tranche of the bonus programme for executives (Share Matching Scheme). In addition, 340 shares were acquired and issued to people who have since left the company. Consequently, issued capital was reduced by the notional value of the shares purchased. The average purchase price per share was €14.45.

The notional value of the treasury shares is deducted from issued capital and the difference between the notional value and the reported value of the treasury shares is deducted from retained earnings.

The issued capital will increase again when the shares are issued to the executives in April 2012. Changes in treasury shares are presented in the statement of changes in equity.

15 Retained earnings

Changes in retained earnings are presented in the statement of changes in equity.

Retained earnings

€m	2011	2012
Balance at 1 January	7,767	8,086
Dividend payment	–786	0
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	1,163	533
Transactions with non-controlling interests	–59	0
Miscellaneous other changes	1	–20
Balance at 31 December/31 March	**8,086**	**8,599**

The transactions with non-controlling interests of €59 million reported in the previous year largely related to an option to acquire the remaining interest (24%) in DHL Lemuir Logistics Private Limited, India. The shares were transferred and the purchase price paid at the beginning of April 2012.

SEGMENT REPORTING

16 Segment reporting

Segments by division

€m	MAIL		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Group	
1 Jan. 31 March	2011[1]	2012	2011[1]	2012	2011[1]	2012	2011[1]	2012	2011	2012	2011[1]	2012	2011[1]	2012
External revenue	3,496	3,534	2,656	2,921	3,447	3,511	3,194	3,384	14	14	0	0	12,807	13,364
Internal revenue	24	23	94	99	152	175	22	25	309	278	–601	–600	0	0
Total revenue	3,520	3,557	2,750	3,020	3,599	3,686	3,216	3,409	323	292	–601	–600	12,807	13,364
Profit/loss from operating activities (EBIT)	373	393	214	231	71	87	78	91	–107	–111	0	0	629	691
Net income from associates	0	0	0	0	0	0	0	0	58	0	0	0	58	0
Segment assets[2]	4,325	4,804	8,587	8,628	8,007	8,035	6,314	6,223	3,167	1,327	–254	–233	30,146	28,784
Investments in associates[2]	0	1	28	28	16	17	0	0	0	0	0	0	44	46
Segment liabilities[2, 3]	2,919	2,920	2,684	2,483	2,959	3,072	2,924	2,832	820	740	–186	–132	12,120	11,915
Capex	48	35	82	127	21	32	60	65	41	46	0	0	252	305
Depreciation and amortisation	79	80	81	90	26	27	68	69	49	50	0	0	303	316
Impairment losses	0	0	0	0	0	0	5	0	0	0	0	0	5	0
Total depreciation, amortisation and impairment losses	79	80	81	90	26	27	73	69	49	50	0	0	308	316
Other non-cash expenses	49	61	44	30	19	17	24	21	23	15	0	0	159	144
Employees[4]	147,434	145,855	85,496	83,999	43,451	43,445	133,615	138,206	13,352	12,954	0	0	423,348	424,459

Information about geographical areas

€m	Germany		Europe (excluding Germany)		Americas		Asia Pacific		Other regions		Group	
1 Jan. to 31 March	2011[1]	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011[1]	2012
External revenue	4,202	4,261	4,222	4,315	2,146	2,261	1,736	1,950	501	577	12,807	13,364
Non-current assets[2]	4,465	4,463	7,313	7,309	3,376	3,322	3,361	3,261	329	325	18,844	18,680
Capex	130	158	56	62	39	46	17	31	10	8	252	305

[1] Prior-year amounts adjusted.
[2] As at 31 December 2011 and 31 March 2012.
[3] Including non-interest-bearing provisions.
[4] Average FTEs.

Deutsche Post DHL reports four operating segments; these are managed independently by the responsible segment management bodies in line with the products and services offered and the brands, distribution channels and customer profiles involved. Components of the entity are defined as a segment on the basis of the existence of segment managers with bottom-line responsibility who report directly to Deutsche Post DHL's top management.

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

The main geographical areas 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. Non-current assets primarily comprise intangible assets, property, plant and equipment, and other non-current assets.

The following adjustments were made to the segment reporting as at 31 March 2012:

At the beginning of January 2012, the Czech less-than-truckload and part-truckload business of PPL CZ s.r.o. was transferred from the EXPRESS segment to the GLOBAL FORWARDING, FREIGHT segment. The transfer was made to enable the two divisions to concentrate on their respective core competencies. The prior-year amounts were adjusted accordingly.

Effective 1 July 2011, the Home Delivery business in Germany was transferred from the SUPPLY CHAIN division to the MAIL division. The following companies were affected: DHL Home Delivery GmbH, DHL Solutions Großgut GmbH and IT4Logistics AG. The prior-year amounts were adjusted accordingly.

Reconciliation

€m	Q1 2011	Q1 2012
Total income of reportable segments	736	802
Corporate Center/Other	–107	–111
Reconciliation to Group/Consolidation	0	0
Profit from operating activities (EBIT)	**629**	**691**
Net finance costs/net financial income	**–161**	**76**
Profit before income taxes	**468**	**767**
Income taxes	–117	–207
Consolidated net profit for the period	**351**	**560**

OTHER DISCLOSURES

17 Share-based payment

A new system to grant variable remuneration components to certain Group executives was implemented in financial year 2009.

Share Matching Scheme

		2009 tranche	2010 tranche	2011 tranche	2012 tranche
Grant date		1 Nov. 2009	1 Jan. 2010	1 Jan. 2011	1 Jan. 2012
Term	months	53	63	63	63
End of term		March 2014	March 2015	March 2016	March 2017
Share price at grant date	€	11.48	13.98	12.90	12.13

The sum of €19 million (31 December 2011: €33 million) was transferred to the capital reserves in the period up to 31 March 2012 for the Share Matching Scheme.

Capital reserves

€m	2011	2012
Balance at 1 January	2,158	2,170
Addition/issue of rights under Share Matching Scheme		
2009 tranche	3	0
2010 tranche	17	1
2011 tranche	13	16
2012 tranche	0	2
Exercise of rights under 2009 Share Matching Scheme		
2010 tranche	–21	0
Balance at 31 December/31 March	**2,170**	**2,189**

The SAR provisions for the other share-based payment systems for executives amounted to €82 million as at 31 March 2012 (31 December 2011: €61 million).

18 Related party disclosures

There have been no material changes in related party disclosures as against 31 December 2011; 2011 Annual Report, Note 53.

19 Contingent liabilities and other financial obligations

The Group's contingent liabilities and other obligations have not changed significantly compared with 31 December 2011; 2011 Annual Report, Notes 49 and 50.

20 Other disclosures/Events after the reporting date

The European Commission has conducted a formal investigation into how surcharges and fees are set in the international freight forwarding industry. DHL Global Forwarding, along with all other major players in the industry, received a request for information in this context in October 2007. Having co-operated in the investigation, DHL Global Forwarding was granted a full reduction in fines in the decision of the European Commission on 28 March 2012; 2011 Annual Report, Note 51.

At the beginning of April 2012, Deutsche Post AG brought an action before the European Court of Justice appealing the demand by the European Commission for the repayment of state aid; 2011 Annual Report, Notes 51 and 57.

RESPONSIBILITY STATEMENT

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

Bonn, 7 May 2012

Deutsche Post AG
The Board of Management

Dr Frank Appel

Ken Allen | Roger Crook

Bruce Edwards | Jürgen Gerdes

Lawrence Rosen | Angela Titzrath

REVIEW REPORT

To Deutsche Post AG

We have reviewed the condensed consolidated interim financial statements – comprising the income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Post AG, Bonn, for the period from 1 January to 31 March 2012 which are part of the quarterly financial report pursuant to section 37x (3) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSS applicable to interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, 7 May 2012

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Gerd Eggemann | Dietmar Prümm
Wirtschaftsprüfer | Wirtschaftsprüfer
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GRAPHS AND TABLES

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The English version of the Interim Report January to March 2012 of Deutsche Post DHL constitutes a translation of the original German version. Only the German version is legally binding, insofar as this does not conflict with legal provisions in other countries.

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Financial calendar[1]

9 MAY 2012	10 MAY 2012	24 MAY 2012
2012 ANNUAL GENERAL MEETING (FRANKFURT AM MAIN)	DIVIDEND PAYMENT	CAPITAL MARKETS DAY (LONDON)
2 AUGUST 2012	8 NOVEMBER 2012	5 MARCH 2013
INTERIM REPORT JANUARY TO JUNE 2012	INTERIM REPORT JANUARY TO SEPTEMBER 2012	PRESENTATION OF THE FINANCIAL FIGURES FOR 2012
12 MARCH 2013	14 MAY 2013	29 MAY 2013
ANNUAL REPORT 2012	INTERIM REPORT JANUARY TO MARCH 2013	2013 ANNUAL GENERAL MEETING (FRANKFURT AM MAIN)
30 MAY 2013	6 AUGUST 2013	12 NOVEMBER 2013
DIVIDEND PAYMENT	INTERIM REPORT JANUARY TO JUNE 2013	INTERIM REPORT JANUARY TO SEPTEMBER 2013

Investor events[1]

14–15 May 2012	Deutsche Bank German, Swiss & Austrian Corporate Conference (Frankfurt am Main)
13 June 2012	RBC Transport and Infrastructure Investor Day (London)
26 June 2012	Goldman Sachs Business Services Conference (London)
27 June 2012	Davy Transport Conference (London)
6 September 2012	Deutsche Bank Transportation & Aviation Conference (New York)
11 September 2012	Equinet ESN European Conference (Frankfurt am Main)
13 September 2012	UBS Best of Germany Conference (New York)
19 September 2012	Sanford C. Bernstein's Strategic Decisions Conference (London)

[1] Further dates, updates as well as information on live webcasts @ dp-dhl.com/en/investors.html.

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