



**JANUARY TO JUNE**

## KEY FIGURES

### 01 Selected key figures

		H1 2011	H1 2012	+/- %	Q2 2011	Q2 2012	+/- %
Revenue <sup>1</sup>	€m	25,610	27,096	5.8	12,803	13,732	7.3
Profit from operating activities (EBIT)	€m	1,191	1,234	3.6	562	543	-3.4
Return on sales <sup>2</sup>	%	4.7	4.6	—	4.4	4.0	—
Consolidated net profit for the period <sup>3</sup>	€m	603	734	21.7	278	201	-27.7
Operating cash flow	€m	283	-142	—	317	215	-32.2
Net liquidity (-)/net debt (+) <sup>4</sup>	€m	-938	978	—	—	—	—
Earnings per share	€	0.50	0.61	22.0	0.23	0.17	-26.1
Number of employees <sup>5</sup>		423,348	424,351	0.2	—	—	—

<sup>1</sup> Prior-year amounts adjusted ➡ Note 4.

<sup>2</sup> EBIT/revenue.

<sup>3</sup> After deduction of non-controlling interests.

<sup>4</sup> Prior-year amount as at 31 December, for the calculation ➡ page 12 of the Interim Report by the Board of Management.

<sup>5</sup> Average FTEs, prior-year amount corresponds to that of financial year 2011.

## WHAT WE ACHIEVED IN THE FIRST HALF OF 2012

We continued our good business performance in the first half of the year, achieving revenue and earnings growth. In the second quarter, revenue grew stronger than in the previous quarter. The DHL divisions are performing very dynamically and are also benefiting from the positive economic trend in the Asian markets. In the MAIL division, growth in our parcel business remains strong.

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

We now plan to attain consolidated EBIT of between €2.6 billion and €2.7 billion in financial year 2012. The MAIL division is still likely to contribute between €1.0 billion and €1.1 billion to this figure, including the one-time effects, recorded in the second quarter, of the additional VAT payment. For the DHL divisions, we are raising our earnings forecast to around €2.0 billion based on the one-time effects that occurred in the second quarter.

@ Websites

➡ Cross-references



1 August 2012

First half of 2012

*Dear Shareholders,*

The last few months have been shaped by sustained concerns regarding sovereign debt levels in Europe and how the macroeconomy will evolve.

Against this backdrop, I am all the more pleased that your company Deutsche Post DHL continued its good business performance in the first half of 2012. We increased revenues by 5.8% to €27.1 billion and improved earnings by €43 million to €1.2 billion.

All divisions contributed to these gains. In the MAIL division, growth in our parcel business remains strong. The DHL divisions are performing very dynamically. They are also benefiting from the comparatively positive economic trend in the Asian markets, where we are already excellently positioned today. We are continuing to invest in this region with the aim of expanding our presence and offering our Asian customers the best possible service.

In July, for instance, we opened Asia's largest express hub at Shanghai's international airport. The hub supports our growth strategy for the region as presented personally by the Board of Management to journalists and analysts on site some weeks ago.

Even though our second-quarter financials contain an atypically large number of special items, the figures clearly document that we are reaching our ambitious targets.

Given our performance over the first half of the year, we are adjusting our forecast: we now plan to attain consolidated EBIT for financial year 2012 of between €2.6 billion and €2.7 billion. The MAIL division is still likely to contribute between €1.0 billion and €1.1 billion to this figure, which includes the one-time effects, recorded in the second quarter, of an additional VAT payment. For the DHL divisions, we are raising our earnings forecast to around €2.0 billion based on the one-time effects that occurred in the second quarter.

The second half may well continue to be affected by the aforementioned concerns; we, however, intend to remain focused on the implementation of our strategy.

Yours faithfully,



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### EVENTS II

# BUSINESS AND ENVIRONMENT

## Organisation

### **Angela Titzrath new Board Member for Personnel**

As at 1 May 2012, Angela Titzrath assumed responsibility for the Personnel board department. At that time, we also adjusted the Board of Management's allocation of duties: responsibility for the functions Corporate Executives and HR DHL International was moved from the CEO's board department to the Personnel board department.

## Economic parameters

### **Global economy trends moderately upwards**

In the first half of 2012, there was a moderate upwards trend in the global economy, driven by the emerging economies, even though momentum has slowed somewhat there. In the industrial countries, the economy remained weak on the whole, whilst wide disparities in growth continue.

Growth in the Asian countries continued to be strong on a global comparison; however, some momentum was lost, especially in the two largest economies. In China, gross domestic product (GDP) grew by 7.8% in the first half of the year, the lowest level in three years. In Japan, the economy saw a strong revival in the first half of the year, benefiting primarily from a marked increase in exports.

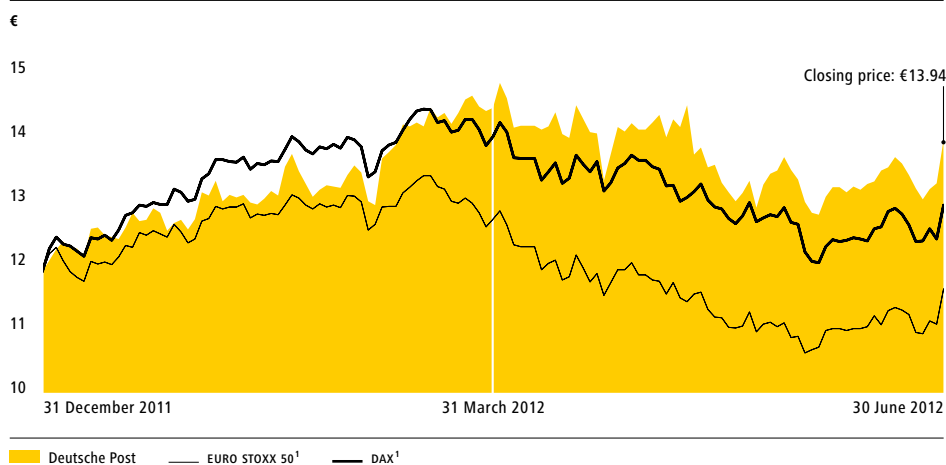
The United States economy continued to recover, albeit with little momentum. Private consumption and investments in machinery and equipment provided slight impulses. Investments in construction also improved. However, the sharp rise in employment at the beginning of the year weakened considerably in the second quarter. To support the economy and the labour market, the US Federal Reserve maintained its key interest rate at 0% to 0.25%.

Economic output in the euro zone remained very weak, stagnating in the first quarter. Since domestic demand did not stabilise in the spring, GDP is expected to have shrunk in the second quarter. At the same time, unemployment continued to rise at a high rate. The economy also felt the impact of the ongoing sovereign debt crisis and consolidation measures in a number of member states. To support the economy, the European Central Bank lowered its key interest rate in July to a record low of 0.75%.

The German economy got off to a good start in 2012. GDP grew as a result of the strong stimulus from foreign trade. Private consumption was up as well. Only investments in construction were impacted due to the weather. In the spring, however, the economic momentum slowed. It is likely that the industrial sector was hardly able to do better than stagnate in the second quarter, causing GDP to grow only marginally. At the same time, the upturn in the labour market weakened. The ifo Business Climate Index decreased perceptibly twice in a row.

# DEUTSCHE POST SHARES

## 02 Share price performance



<sup>1</sup> Rebased on the closing price of Deutsche Post shares on 30 December 2011.

### Deutsche Post shares hold their ground in volatile market

Sentiment in the equity markets in the second quarter continued to be shaped by concern over sovereign debt levels in Europe. The EURO STOXX 50 dropped by 2.2% to 2,265 points in the first half of 2012. Thanks to the comparatively strong German economy, the DAX was up by 8.8% to 6,416 points. Our share price reached its peak of €14.83 in the reporting period at the beginning of April, followed by a generally downwards trend. With its reporting on the first quarter on 8 May and its Capital Markets Day on 24 May, the Group again substantiated that its operations are performing well and that it will achieve its medium-term goals. This played a key role in our shares, which ended the first half of 2012 at €13.94, a plus of 17.3%, outperforming the market.

## 03 Deutsche Post shares

		30 Dec. 2011	30 June 2012
Closing price	€	11.88	13.94
High <sup>1</sup>	€	13.83	14.83
Low <sup>1</sup>	€	9.13	11.88
Number of shares	millions	1,209.0	1,209.0
Market capitalisation	€m	14,363	16,853
Average trading volume per day <sup>1</sup>	shares	4,898,924	4,309,339

<sup>1</sup> In 2011 and in the first half of 2012.

## 04 Peer group comparison: closing prices

		30 Dec. 2011	30 June 2012	+/- %	30 June 2011	30 June 2012	+/- %
Deutsche Post DHL	€	11.88	13.94	17.3	13.25	13.94	5.2
PostNL	€	2.46	3.25	32.1	5.85	3.25	-44.4
TNT Express	€	5.77	9.24	60.1	7.15	9.24	29.2
FedEx	US\$	83.51	91.61	9.7	94.85	91.61	-3.4
UPS	US\$	73.19	78.76	7.6	72.93	78.76	8.0
Kuehne + Nagel	CHF	105.50	100.20	-5.0	127.60	100.20	-21.5

# ECONOMIC POSITION

## Overall assessment by the Board of Management

### Business continues to perform well

We continued our good business performance from the beginning of the year into the first half of 2012, achieving revenue and earnings growth. In the second quarter, revenue grew stronger than in the previous quarter, due in particular to the very dynamic performance of the DHL divisions. They are also benefiting from the positive economic trend in the Asian markets. In the MAIL division, growth in our parcel business remains strong. For the first time since 2009, we are reporting net debt. Nevertheless, the Group's financial position remains solid in the opinion of the Board of Management.

## 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 unaffected by state aid repayment

Deutsche Post DHL paid the €298 million demanded by the German Federal Government under the European Commission state aid ruling on 1 June 2012. In agreement with the government, the amount has been paid into a trust account and has therefore only been recorded in the balance sheet; the Group's earnings position remains unaffected.

➔ Opportunities and risks, page 23

### Additional VAT payment reduces EBIT by €181 million

We had already recognised provisions for most of the additional VAT payment of €515 million announced by the tax authorities, so consolidated EBIT was impacted by just €-181 million in the second quarter. Deutsche Post DHL will make the payment in the third quarter of 2012.

➔ Opportunities and risks, page 22

### Provisions for restructuring of us express business reversed

Provisions were recognised for the restructuring of the us express business that occurred in 2009. These provisions have now been partially reassessed and reversed, with a positive impact on EBIT of €99 million.

# Earnings

## 05 Selected indicators for results of operations

		H1 2011	H1 2012	Q2 2011	Q2 2012
Revenue <sup>1</sup>	€m	25,610	27,096	12,803	13,732
Profit from operating activities (EBIT)	€m	1,191	1,234	562	543
Return on sales <sup>2</sup>	%	4.7	4.6	4.4	4.0
Consolidated net profit for the period <sup>3</sup>	€m	603	734	278	201
Earnings per share	€	0.50	0.61	0.23	0.17

<sup>1</sup> Prior-year amounts adjusted → Note 4.

<sup>2</sup> EBIT/revenue.

<sup>3</sup> After deduction of non-controlling interests.

## Changes in reporting and portfolio

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. The previous year's segment reporting figures were adjusted accordingly.

During the second quarter, we sold our shares in the joint ventures Express Couriers, New Zealand, and Parcel Direct Group, Australia, to our former partner New Zealand Post. In these markets, we are now focusing on the international express business with time-definite deliveries.

## Consolidated revenue rises

Consolidated revenue was up 5.8% in the first half of 2012, at €27,096 million (previous year, adjusted: €25,610 million). The proportion of consolidated revenue generated abroad grew from 68.1% to 69.5%, with positive currency effects accounting for €866 million of this increase. By contrast, changes in the portfolio reduced revenue by €137 million.

Revenue growth was more significant in the second quarter, up 7.3% to €13,732 million (previous year, adjusted: €12,803 million). Year-on-year, currency effects had a positive impact of €626 million in the second quarter, whilst changes in the portfolio had a negative effect of €9 million.

Other operating income rose by 29.3% to €1,139 million, mainly due to the reversal of surplus provisions.

## Transport costs push up materials expense

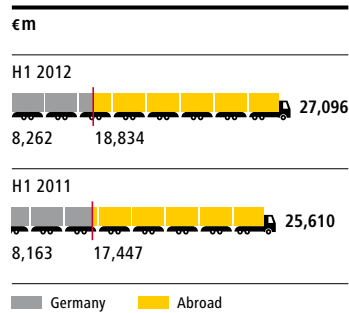
In particular, rising transport costs increased materials expense by €849 million to €15,488 million.

Staff costs also increased, rising from €8,285 million in the same period of the previous year to €8,787 million in the reporting period. The greater business volume in the SUPPLY CHAIN division in particular led to an increase in staff numbers.

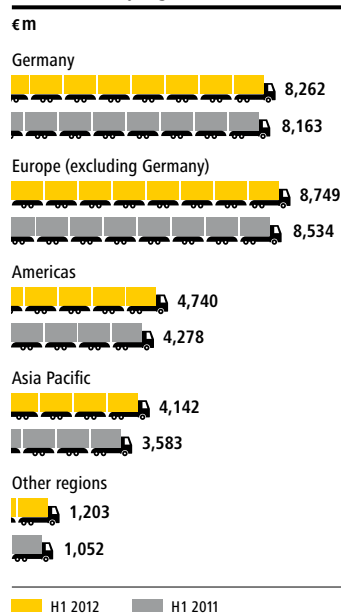
At €647 million, depreciation, amortisation and impairment losses were €36 million higher than in the previous year, largely as a result of the infrastructure expansion and technology investments made in the past.

Other operating expenses increased by €314 million to €2,079 million, mainly due to the additional VAT payment.

## 06 Consolidated revenue



## 07 Revenue by region





### Improvement in consolidated EBIT

Profit from operating activities (EBIT) improved compared with the first half of 2011, rising by 3.6% or €43 million to €1,234 million.

Net finance costs also improved from €-319 million to €-166 million. This was largely attributable to the disposal gain recorded on the Postbank sale.

Profit before income taxes increased from €872 million to €1,068 million. Income taxes increased by €70 million to €288 million.

### 08 Consolidated EBIT

€m

H1 2012



H1 2011



### Consolidated net profit and earnings per share up considerably

Consolidated net profit for the period increased from €654 million to €780 million. €734 million of this is attributable to shareholders of Deutsche Post AG and €46 million to non-controlling interest holders. Both basic and diluted earnings per share rose from €0.50 to €0.61.

## Financial position

### 09 Selected cash flow indicators

€m

	H1 2011	H1 2012	Q2 2011	Q2 2012
Cash and cash equivalents as at 30 June	2,125	2,340	2,125	2,340
Change in cash and cash equivalents	-1,239	-804	-815	-92
Net cash from/used in operating activities	283	-142	317	215
Net cash used in investing activities	-328	-831	-91	-593
Net cash used in/from financing activities	-1,194	169	-1,041	286

### Liquidity situation remains solid

The principles and aims of our financial management as presented in the 2011 Annual Report remain valid and continue to be pursued, as does our finance strategy.

In the first half of 2012, the “FFO to debt” dynamic performance metric declined as anticipated. This was due above all to the annual prepayment made to Bundes-Pensions-Service für Post und Telekommunikation and the dividend paid out for financial year 2011. FFO to debt also suffered from the repayment of what the European Commission considers to be an overpayment of state aid in the amount of €298 million. The decline in operating cash flow before changes in working capital is attributable to effects related to the additional VAT payment. Since the payment expected to be made in the third quarter is a one-time charge, all of the related effects were considered non-recurring expenses (see table 10).

In the second quarter of 2012, the rating agencies Standard & Poor's and Moody's Investors Service reviewed our credit rating. Both agencies confirmed their ratings of “BBB+” and “Baa1”, respectively, taking into account the one-off state aid repayment. Due to the expected rise in earnings in 2012, Standard & Poor's has removed its credit watch with negative implications. This means that the creditworthiness of our Group continues to be classified as adequate.

@ [dp-dhl.com/en/investors.html](http://dp-dhl.com/en/investors.html)

➔ Opportunities and risks, page 23

➔ Opportunities and risks, page 22

In view of our solid liquidity, the five-year syndicated credit facility with a total volume of €2 billion was not drawn down during the reporting period. As at 30 June 2012, the Group had cash and cash equivalents of €2.3 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 took advantage of the favourable market conditions to issue two bonds with a total notional volume of €1.25 billion on 18 June 2012 in connection with the Debt Issuance Programme established in March of this year. The first tranche was issued in a volume of €750 million for a term of five years with a coupon of 1.875%, and the second tranche was issued in a volume of €500 million for a term of ten years and bears a coupon of 2.950%.

#### 10 FFO to debt

€ m	1 Jan. to 31 Dec. 2011	1 July 2011 to 30 June 2012
Operating cash flow before changes in working capital	2,234	1,979
⊕ Interest and dividends received	72	63
⊖ Interest paid	163	155
⊕ Adjustment for operating leases	1,104	1,104
⊕ Adjustment for pensions	153	153
⊕ Non-recurring income/expenses	208	583
⊖ Funds from operations (FFO)	3,608	3,727
Reported financial liabilities <sup>1</sup>	7,010	3,709
⊖ Financial liabilities related to the sale of Deutsche Postbank AG <sup>1</sup>	4,344	0
⊖ Financial liabilities at fair value through profit or loss <sup>1</sup>	137	161
⊕ Adjustment for operating leases <sup>2</sup>	5,295	5,295
⊕ Adjustment for pensions <sup>2</sup>	5,639	5,639
⊖ Surplus cash and near-cash investments <sup>1,3</sup>	2,286	1,404
⊖ Debt	11,177	13,078
<b>FFO to debt (%)</b>	<b>32.3</b>	<b>28.5</b>

<sup>1</sup> As at 31 December 2011 and 30 June 2012, respectively.

<sup>2</sup> As at 31 December 2011.

<sup>3</sup> 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 rises on the previous year

As at the end of June 2012, the Group's aggregate capital expenditure (capex) totalled €679 million, which reflects a year-on-year increase of 9.0% (previous year: €623 million). Investments were made mainly to replace and expand assets as follows: €549 million was invested in property, plant and equipment and €130 million in intangible assets excluding goodwill. Investments in property, plant and equipment related primarily to advance payments and assets under development (€288 million), transport equipment (€78 million), technical equipment and machinery (€55 million), IT equipment (€37 million) and aircraft (€36 million).

Regionally, we focused mainly on Europe and the Americas, whilst significantly increasing investment in Asia Pacific versus the prior year.

## 11 Capex and depreciation, amortisation and impairment losses, H1

	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)	143	93	222	283	36	65	121	145	101	93	623	679
Depreciation, amortisation and impairment losses (€m)	158	163	168	191	50	55	138	140	97	98	611	647
Ratio of capex to depreciation, amortisation and impairment losses	0.91	0.57	1.32	1.48	0.72	1.18	0.88	1.04	1.04	0.95	1.02	1.05

## 12 Capex and depreciation, amortisation and impairment losses, Q2

	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)	95	58	140	156	15	33	61	80	60	47	371	374
Depreciation, amortisation and impairment losses (€m)	79	83	87	101	24	28	65	71	48	48	303	331
Ratio of capex to depreciation, amortisation and impairment losses	1.20	0.70	1.61	1.54	0.63	1.18	0.94	1.13	1.25	0.98	1.22	1.13

Capital expenditure in the MAIL division fell from €143 million to €93 million in the reporting period, primarily because some projects were postponed and because high one-time expenditure had been incurred for new sorting systems in the prior-year period.

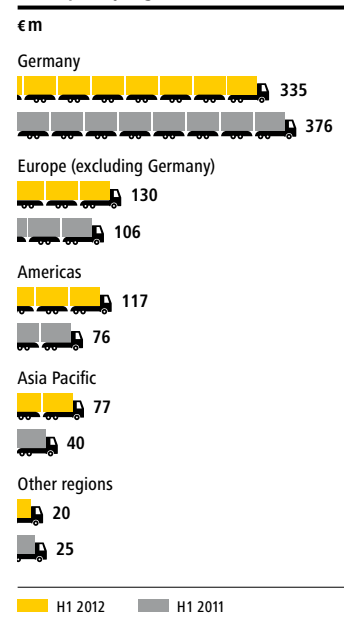
In the EXPRESS division, capital expenditure in the reporting period increased to €283 million (previous year: €222 million). In particular, we modernised our aircraft fleet. The majority of the investments in aviation related to aircraft and advance payments for aircraft deliveries. In addition, investments in our hubs increased, including the global hub in North America and the new North Asia Hub in China.

In the GLOBAL FORWARDING, FREIGHT division, capital expenditure rose from €36 million in the prior-year period to €65 million in the first half of 2012. Of this figure, €54 million was attributable to the Global Forwarding business unit, where we improved IT solutions and fitted out and modernised warehouses across all regions. Parts of the IT solutions relate to the New Forwarding Environment (NFE) project. In the Freight business unit we invested €11 million, mainly in property, plant and equipment.

In the SUPPLY CHAIN division, capex amounted to €145 million in the first half of 2012 (previous year: €121 million). A total of €130 million of this related to the Supply Chain business unit, €13 million to Williams Lea and €2 million to central entities. The majority of the funds were used to support new and existing business projects in the Americas and Europe. Additional investments focused on a new warehouse facility in Hong Kong and customer projects in Australia. The majority of spend in the Williams Lea business unit related to IT investments.

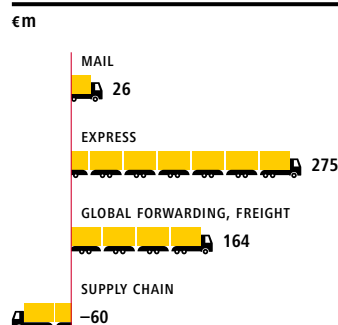
Cross-divisional capital expenditure decreased from €101 million in 2011 to €93 million in the reporting period. Most of the expenses were incurred for the purchase of IT equipment and vehicles.

## 13 Capex by region



➔ GLOBAL FORWARDING, FREIGHT division, page 18

#### 14 Operating cash flow by division, H1 2012



➔ Cash flow statement, page 30

➔ Page 8f.

#### Decrease in operating cash flow

Net cash used in operating activities amounted to €142 million in the first half of 2012, compared with a cash inflow of €283 million in the prior-year period. The more pronounced change in provisions compared with the previous year, to €-774 million, is mainly due to the utilisation of provisions for the announced additional VAT payment. Since this will mainly be repaid to the tax authorities in the third quarter, liabilities and other items in working capital increased accordingly. The change in receivables and other current assets from €-580 million in the previous year to €-986 million is largely attributable to operating activities.

Net cash used in investing activities was €503 million higher year-on-year at €831 million. Investments in property, plant and equipment were the most significant item in this area, amounting to €667 million, which are described under capital expenditure. In addition, the recognition of the demanded state aid repayment as a non-current financial asset in the balance sheet reduced cash flow from investing activities by €298 million.

#### 15 Calculation of free cash flow

€m	H1 2011	H1 2012	Q2 2011	Q2 2012
Net cash from/used in operating activities	283	-142	317	215
Sale of property, plant and equipment and intangible assets	95	104	43	48
Acquisition of property, plant and equipment and intangible assets	-683	-667	-378	-353
Cash outflow arising from change in property, plant and equipment and intangible assets	-588	-563	-335	-305
Disposal of subsidiaries and other business units	66	39	66	39
Acquisition of subsidiaries and other business units	-35	-35	-35	-37
Cash inflow arising from acquisitions/divestments	31	4	31	2
Interest received	36	27	24	13
Interest paid	-101	-93	-34	-36
Net interest paid	-65	-66	-10	-23
Free cash flow	-339	-767	3	-111

Free cash flow declined from €-339 million in the previous year to €-767 million in the reporting period, largely due to the rise in net cash used in operating activities.

Financing activities led to a cash inflow of €169 million in the first half of 2012 compared with a cash outflow of €1,194 million in the prior-year period. The change in financial liabilities in the previous year resulted in a cash outflow of €201 million, whereas in the first half of 2012 a cash inflow of €1,191 million was generated mainly by the two bond issues. The dividend paid to our shareholders was the largest payment in this area and was €60 million higher than in the previous year, at €846 million.

Compared with 31 December 2011, cash and cash equivalents fell from €3,123 million to €2,340 million due to the changes in the cash flows from the individual activities.

## Assets and liabilities

### 16 Selected indicators for net assets

		31 Dec. 2011	30 June 2012
Equity ratio	%	29.2	32.2
Net liquidity (-)/net debt (+)	€m	-938	978
Net interest cover <sup>1</sup>		18.3	18.7
Net gearing	%	-9.1	8.0
FFO to debt <sup>2</sup>	%	32.3	28.5

<sup>1</sup> In the first half.

<sup>2</sup> For calculation ➔ page 8.

### Consolidated total assets decrease

The Group's total assets amounted to €34,929 million as at 30 June 2012, €3,479 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.

As at the reporting date, non-current assets amounted to €21,707 million, €482 million higher than at 31 December 2011. Intangible assets rose from €12,196 million to €12,305 million, mainly due to an increase in goodwill resulting from currency effects. At €6,510 million, property, plant and equipment was just slightly up on its year-end level (€6,493 million), with depreciation, amortisation and impairment losses amounting to almost exactly the same as the additions. By contrast, non-current financial assets were up by €318 million to €1,047 million. This is attributable to the demanded state aid repayment of €298 million, which is recognised in the balance sheet as restricted cash. Other non-current assets rose by €58 million to €628 million, mainly due to the increase in pension assets. At €1,127 million, deferred tax assets were down €26 million year-on-year.

Current assets decreased by €3,961 million to €13,222 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 €194 million. The transfer of the remaining Postbank shares to Deutsche Bank also significantly reduced the assets held for sale, from €1,961 million to €25 million. Receivables and other assets increased by €1,033 million to €10,122 million, partly due to the accrual of the prepaid annual contribution to Bundes-Pensions-Service in the gross amount of €265 million. Cash and cash equivalents declined by €783 million to €2,340 million. The dividend payment for 2011 led to a cash outflow of €846 million. In addition, the transfer of the demanded state aid repayment to a trust account reduced available cash by €298 million. However, the two bond issues made a positive contribution.

At €11,053 million, equity attributable to Deutsche Post shareholders was slightly higher than at 31 December 2011 (€11,009 million). Whilst consolidated net profit for the period and positive currency effects increased equity, it was reduced by the dividend payment to our shareholders.



Current and non-current liabilities declined by 16.1% to €15,267 million. In particular, the completed sale of the remaining Postbank shares reduced current financial liabilities by €4,493 million to €1,151 million. By contrast, non-current financial liabilities increased to €2,558 million as at the reporting date, mainly due to two bond issues with a total volume of €1,240 million. Overall net debt was €3,301 million lower than at 31 December 2011, at €3,709. The additional VAT payment of €515 million announced by the tax authorities caused other current liabilities, in particular, to rise from €4,106 million to €4,816 million. Current and non-current provisions declined from €9,008 million to €8,399 million, mainly because we reassessed and utilised restructuring provisions recognised in previous years. In addition, we utilised provisions in connection with the additional VAT payment and reclassified them as current liabilities.

#### Net debt of €978 million

As at 30 June 2012, our net debt amounted to €978 million. As at 31 December 2011, we still had net liquidity of €938 million, which was reduced, in particular, as a result of the dividend payment (€846 million), the prepaid annual contribution to Bundes-Pensions-Service (€530 million) and the demanded state aid repayment transferred to a trust account (€298 million). The equity ratio improved by 3.0 percentage points to 32.2%, 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 18.3 to 18.7. The net gearing ratio, which is calculated as net debt divided by the total of equity and net debt, was 8.0% in the first half of 2012.

#### 17 Net liquidity (-)/net debt (+)

€m	31 Dec. 2011	30 June 2012
Non-current financial liabilities	1,346	2,545
⊕ Current financial liabilities	5,588	1,125
⊖ Financial liabilities	6,934	3,670
⊖ Cash and cash equivalents	3,123	2,340
⊖ Current financial assets	2,498	194
⊖ Long-term deposits <sup>1</sup>	56	58
⊖ Positive fair value of non-current financial derivatives <sup>1</sup>	94	100
⊖ Financial assets	5,771	2,692
⊖ Financial liabilities to Williams Lea minority shareholders	36	0
⊖ Mandatory exchangeable bond <sup>2</sup>	2,926	0
⊖ Collateral for the put option <sup>2</sup>	1,298	0
⊕ Net effect from measurement of Postbank derivatives <sup>3</sup>	2,159	0
⊖ Non-cash adjustments	2,101	0
Net liquidity (-)/net debt (+)	-938	978

<sup>1</sup> Reported in non-current financial assets in the balance sheet.

<sup>2</sup> Reported in current financial liabilities in the balance sheet.

<sup>3</sup> Reported in current financial assets and liabilities in the balance sheet.

# DIVISIONS

## Overview

### 18 Key figures by operating division

€m	H1 2011 adjusted	H1 2012	+/- %	Q2 2011 adjusted	Q2 2012	+/- %
<b>MAIL</b>						
Revenue	6,779	6,845	1.0	3,259	3,288	0.9
of which Mail Communication	2,669	2,610	-2.2	1,283	1,239	-3.4
Dialogue Marketing	1,288	1,244	-3.4	609	595	-2.3
Press Services	394	382	-3.0	192	184	-4.2
Value-Added Services	115	115	0.0	59	57	-3.4
Parcel Germany	1,459	1,641	12.5	710	797	12.3
Retail Outlets	397	414	4.3	199	204	2.5
Global Mail	815	813	-0.2	389	396	1.8
Pension Service	48	48	0.0	25	24	-4.0
Consolidation/Other	-406	-422	-3.9	-207	-208	-0.5
Profit from operating activities (EBIT)	559	431	-22.9	186	38	-79.6
Return on sales (%) <sup>1</sup>	8.2	6.3	-	5.7	1.2	-
Operating cash flow	30	26	-13.3	178	232	30.3
<b>EXPRESS</b>						
Revenue	5,681	6,264	10.3	2,931	3,244	10.7
of which Europe <sup>2</sup>	2,631	2,778	5.6	1,335	1,399	4.8
Americas	941	1,086	15.4	488	573	17.4
Asia Pacific	1,766	2,091	18.4	925	1,108	19.8
MEA (Middle East and Africa) <sup>2</sup>	413	482	16.7	210	251	19.5
Consolidation/Other	-70	-173	<-100	-27	-87	<-100
Profit from operating activities (EBIT)	456	598	31.1	242	367	51.7
Return on sales (%) <sup>1</sup>	8.0	9.5	-	8.3	11.3	-
Operating cash flow	313	275	-12.1	180	320	77.8
<b>GLOBAL FORWARDING, FREIGHT</b>						
Revenue	7,357	7,659	4.1	3,758	3,973	5.7
of which Global Forwarding	5,381	5,635	4.7	2,749	2,965	7.9
Freight	2,043	2,087	2.2	1,044	1,039	-0.5
Consolidation/Other	-67	-63	6.0	-35	-31	11.4
Profit from operating activities (EBIT)	186	224	20.4	115	137	19.1
Return on sales (%) <sup>1</sup>	2.5	2.9	-	3.1	3.4	-
Operating cash flow	274	164	-40.1	153	39	-74.5
<b>SUPPLY CHAIN</b>						
Revenue	6,352	6,937	9.2	3,136	3,528	12.5
of which Supply Chain	5,832	6,284	7.8	2,875	3,196	11.2
Williams Lea	522	656	25.7	263	335	27.4
Consolidation/Other	-2	-3	-50.0	-2	-3	-50.0
Profit from operating activities (EBIT)	189	192	1.6	111	101	-9.0
Return on sales (%) <sup>1</sup>	3.0	2.8	-	3.5	2.9	-
Operating cash flow	125	-60	-	69	-99	-

<sup>1</sup> EBIT/revenue.

<sup>2</sup> 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 half of 2012, which had the same number of working days, revenue was €6,845 million and therefore slightly above the prior year's figure of €6,779 million. The trend in the first three months – strong growth in the parcel business and moderate declines in the mail business – continued in the second quarter, although there was one less working day in comparison with the previous year. We encountered positive currency effects of €25 million in the reporting period.

### Slightly fewer business customer letters year-on-year

In the Mail Communication business unit, we delivered slightly fewer letters on behalf of our business customers than in the first half of 2011. Revenue generated from this business was just below the prior year's figure. Compared with the prior-year quarter, revenue was down 3.4% due, in particular, to one less working day. Even though 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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#### 19 Mail Communication: volumes

mail items (millions)	H1 2011	H1 2012	+/- %	Q2 2011	Q2 2012	+/- %
Business customer letters	3,291	3,243	-1.5	1,541	1,504	-2.4
Private customer letters	598	561	-6.2	301	276	-8.3
<b>Total</b>	<b>3,889</b>	<b>3,804</b>	<b>-2.2</b>	<b>1,842</b>	<b>1,780</b>	<b>-3.4</b>

### 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 expenditure, which is evidenced by revenue and sales in addressed advertising mail. In the second quarter sales recovered slightly compared with the previous quarter, whilst revenue was below the previous year's level. Sales volumes of the other products in the Dialogue Marketing business unit exceeded prior-year levels; *Einkaufaktuell* recorded encouraging growth in volume. Revenue in the business unit decreased by 3.4% to €1,244 million (previous year: €1,288 million).

#### 20 Dialogue Marketing: volumes

mail items (millions)	H1 2011	H1 2012	+/- %	Q2 2011	Q2 2012	+/- %
Addressed advertising mail	3,039	2,904	-4.4	1,472	1,413	-4.0
Unaddressed advertising mail	1,993	2,125	6.6	924	1,005	8.8
<b>Total</b>	<b>5,032</b>	<b>5,029</b>	<b>-0.1</b>	<b>2,396</b>	<b>2,418</b>	<b>0.9</b>

### Press services revenue below prior year

Revenue in the Press Services business unit totalled €382 million in the reporting period, 3.0% below the prior-year figure of €394 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 falling, although item weights remain stable.

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### Value-added service business stable

Revenue in the Value-Added Services business unit reached €115 million, equalling the previous year's figure.

### Parcel business sees sustained strong growth

Revenue in the Parcel Germany business unit reached €1,641 million in the reporting period, improving on the previous year's high figure of €1,459 million by 12.5%. The flourishing e-commerce business is the primary reason for this sustained strong growth. Our range of products and delivery services are playing a key role in this growth.

#### 21 Parcel Germany: volumes

parcels (millions)	H1 2011 adjusted	H1 2012	+/- %	Q2 2011 adjusted	Q2 2012	+/- %
Business customer parcels <sup>1</sup>	349	398	14.0	170	192	12.9
Private customer parcels	51	54	5.9	24	26	8.3
<b>Total</b>	<b>400</b>	<b>452</b>	<b>13.0</b>	<b>194</b>	<b>218</b>	<b>12.4</b>

<sup>1</sup> Including intragroup sales.

### Retail outlet revenue exceeds prior-year level

Revenue generated by our approximately 20,000 retail outlets and sales points amounted to €414 million in the reporting period, a 4.3% increase over the previous year's level (€397 million).

### Revenue in international mail business stabilises

In the Global Mail business unit, 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. We were able to stabilise our operating business. Revenue was €813 million in the first half of the year, only slightly below the prior year's figure of €815 million. In the second quarter, revenue exceeded the previous year's level by 1.8%. We saw encouraging growth in our traditional export business, in international mail from the Asia Pacific region and from the USA.


#### 22 Mail International: volumes

mail items (millions)	H1 2011	H1 2012	+/- %	Q2 2011	Q2 2012	+/- %
Global Mail	1,728	930	-46.2	639	431	-32.6

### Earnings impacted by additional VAT payment

EBIT in the MAIL division was €431 million in the reporting period, significantly below the prior-year figure of €559 million. The figure was impacted by the additional VAT payment of €151 million. Return on sales was 6.3%.

Operating cash flow was €26 million (previous year: €30 million). This figure is impacted in the first half of each year by the annual payments made in January to Bundes-Pensions-Service für Post und Telekommunikation. Working capital was €-774 million, below the level of the prior year (€-586 million).

 Opportunities and risks, page 22

## EXPRESS division

### Express business sees double-digit revenue growth

In the EXPRESS division, revenue increased by 10.3% in the first half of 2012 to €6,264 million (previous year: €5,681 million). The figure for the prior year still included revenues of €141 million related to the sold domestic express business in China, Canada, Australia and New Zealand. Excluding these divestments and positive currency effects of €268 million, revenue grew by 8.0% in the first half of the year, mainly because of the increase in Time Definite International (TDI) shipment volumes.

In the TDI product line, our customers sent 9.2% more shipments per day compared with the previous year and weight per shipment rose by 4.6%. The daily shipment volumes also rose in the Time Definite Domestic (TDD) business, increasing by 7.1% compared with the first half of 2011. In the Day Definite Domestic (DDD) product line, however, shipments declined by 21.5% due to the disposal of the domestic businesses mentioned above.

Although economic output in the euro zone remained weak and the recovery of the global economy lacked momentum, we continued our positive trend in the second quarter as well. Shipment volumes in the TDI product line increased again, by 9.1%.

Both the domestic business in New Zealand and the rest of the domestic express business in Australia were sold during the reporting period.

#### 23 EXPRESS: revenue by product

€m per day <sup>1</sup>	H1 2011 adjusted	H1 2012	+/- %	Q2 2011 adjusted	Q2 2012	+/- %
Time Definite International (TDI)	28.2	30.7	8.9	29.7	32.2	8.4
Time Definite Domestic (TDD)	5.2	5.0	-3.8	5.3	5.0	-5.7
Day Definite Domestic (DDD)	3.7	2.8	-24.3	3.7	2.9	-21.6

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

#### 24 EXPRESS: volumes by product

thousands of items per day <sup>1</sup>	H1 2011 adjusted	H1 2012	+/- %	Q2 2011 adjusted	Q2 2012	+/- %
Time Definite International (TDI)	531	580	9.2	550	600	9.1
Time Definite Domestic (TDD)	695	744	7.1	696	755	8.5
Day Definite Domestic (DDD)	368	289	-21.5	373	293	-21.4

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

### Europe region shows sustained good performance

In the Europe region, revenue increased by 5.6% in the first half of 2012 to €2,778 million (previous year, adjusted: €2,631 million). This figure included positive currency effects of €24 million related mainly to our business activities in Switzerland, the UK and Scandinavia. Excluding these effects, revenue growth was 4.7%. Daily shipment volumes for the TDI product line increased by 9.2% in the second quarter compared with the prior-year period; the increase was even stronger than in the previous quarter.



### Revenue up sharply in the Americas region

In the Americas region, revenue rose by 15.4% to €1,086 million in the reporting period (previous year: €941 million). This figure includes the sale of our domestic express business in Canada in the amount of €97 million and positive currency effects of €86 million. Excluding these effects, revenue increased by a notable 16.6% in the Americas region due to the sustained positive business trend in the United States. Daily shipments in the TDI product line in the United States rose by a considerable 14.6% compared with the first six months of the previous year.

### Strong business growth in the Asia Pacific region continues

In the Asia Pacific region, the positive business trend in the second quarter of 2012 became even more pronounced. Revenue for the first half increased sharply, rising by 18.4% to €2,091 million (previous year: €1,766 million). In the prior year, this figure still included revenues related to the sold domestic express business in China, New Zealand and Australia in the amount of €43 million. Excluding this effect and positive currency effects, which have now risen to €147 million, revenue growth in the reporting period was 12.5% year-on-year. Daily shipment volumes grew significantly in the TDI product line, with a rise of 9.8% in the first half of the year. The increase for the second quarter was even higher at 10.1%.


### Ongoing positive revenue and volume trend in the MEA region

Although the political situation in the Middle East remains tense, our positive trend continued in the MEA region (Middle East and Africa). Revenue increased by 16.7% in the reporting period to €482 million (previous year, adjusted: €413 million). This figure includes positive currency effects of €25 million. Excluding these effects, revenue growth was still in double figures at 10.7%. Daily shipment volumes grew in the TDI product line by 7.4%. The increase in the TDD product line was even more substantial at 16.6%.

### Profitability continues to improve

EBIT in the EXPRESS division increased by 31.1% in the first half of 2012 to €598 million (previous year: €456 million). This significant improvement was attributable to strong growth in revenues and volumes, although EBIT for the reporting period also benefited from one-time effects. For instance, restructuring provisions were partially reassessed and reversed in the United States, with a positive impact on EBIT of €99 million. Earnings were also positively impacted by deconsolidation income of €44 million resulting from the sale of our domestic business in New Zealand and Australia. The additional var payment in Germany for past financial years had a negative effect of €30 million on EBIT for the division. Return on sales improved from 8.0% in the previous year to 9.5%. In the second quarter of 2012, EBIT increased significantly to €367 million (previous year: €242 million).

Operating cash flow for the first half of the year was €275 million, 12.1% below the prior-year period (€313 million) but it improved significantly in the second quarter to €320 million (previous year: €180 million). Our strict working capital management made a significant contribution to the improvement.

 Opportunities and risks, page 22

## GLOBAL FORWARDING, FREIGHT division

### Moderate revenue performance in the freight forwarding business

In the GLOBAL FORWARDING, FREIGHT division, revenue increased in the first half of 2012 by 4.1% to €7,659 million (previous year: €7,357 million). This figure includes positive currency effects of €250 million. The moderate revenue growth seen in the first quarter continued in the second quarter of 2012, driven primarily by reduced prices, the sluggish airfreight market and the macroeconomic situation. Despite this, our business overall grew profitably.

In the Global Forwarding business unit, revenue increased by 4.7% year-on-year from €5,381 million to €5,635 million. Excluding positive currency effects of €243 million, revenue remained on par with the prior year. Gross profit improved by 9.3% to €1,287 million (previous year: €1,177 million).

In addition, in the Global Forwarding business unit, the strategic project “New Forwarding Environment” (NFE), which is aimed at developing a forward-looking operating model based on efficient processes and state-of-the-art IT systems, has gained significant traction. We intend to further strengthen our position as the industry leader through this business transformation.

### Higher gross profit in all business units

In the reporting period, revenue declined year-on-year in the air freight business but grew in the ocean freight business. Likewise, shipping volumes were down in the air freight business and up in the ocean freight business. Despite decreasing fuel prices, air freight rates remained largely unchanged. Existing surplus capacities are creating opportunities in the short-term spot market. The excess capacities result from a relatively strong increase in passenger plane capacities compared with a relatively weak decrease in cargo plane capacities. Ocean freight rates increased in the second quarter.

Our air freight volumes were down by 7.1% compared with the first half of 2011, resulting mainly from the decline in demand in the technology sector, which is a key sector for our business unit. Revenue declined by 1.0% in the first half of the year. As a result of the further surplus capacities in the market, we were able to purchase cargo space at better conditions and transfer cargo plane capacities to passenger planes. Thus we managed to improve gross profit by 6.0%.

Volumes in our ocean freight business in the first half of the year were 4.0% higher than in the prior-year period. Cost pressure continues to drive some of our customers to shift parts of their business from air freight to ocean freight, which is more economical. Revenue increased by 1.9% and gross profit improved by 6.7%.

In our industrial project business (reported as part of Other in table 25), we saw strong growth continue, with gross profit again increasing considerably compared with the previous year.

## 25 Global Forwarding: revenue

€m						
	H1 2011	H1 2012	+/- %	Q2 2011	Q2 2012	+/- %
Air freight	2,741	2,714	-1.0	1,396	1,402	0.4
Ocean freight	1,749	1,783	1.9	872	954	9.4
Other	891	1,138	27.7	481	609	26.6
<b>Total</b>	<b>5,381</b>	<b>5,635</b>	<b>4.7</b>	<b>2,749</b>	<b>2,965</b>	<b>7.9</b>

## 26 Global Forwarding: volumes

thousands		H1 2011	H1 2012	+/- %	Q2 2011	Q2 2012	+/- %
Air freight	tonnes	2,193	2,038	-7.1	1,106	1,046	-5.4
of which exports	tonnes	1,212	1,135	-6.4	616	583	-5.4
Ocean freight	TEUs <sup>1</sup>	1,334	1,388	4.0	686	716	4.4

<sup>1</sup> Twenty-foot equivalent units.

**Overland transport business continues to grow**

In the Freight business unit, revenue rose by 2.2% to €2,087 million in the first half of 2012 (previous year: €2,043 million), which is largely attributable to growth in Germany and Eastern Europe. This revenue includes positive currency effects of €8 million as well as the business from Standard Forwarding in the United States, which we acquired in June 2011. We increased gross profit by 8.7% from €531 million to €577 million through strict cost management, despite the fact that pressure on margins remained high.

Effective 1 January 2012, responsibility for the national 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.

**EBIT improves again**

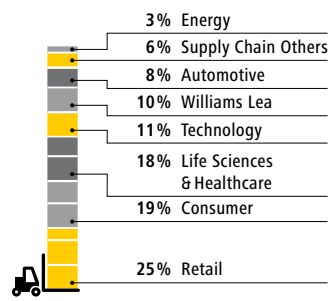
Thanks to high gross profit margins and constantly increasing efficiency, EBIT in the division improved by 20.4%, from €186 million to €224 million. Return on sales amounted to 2.9% (previous year: 2.5%).

Net working capital in the reporting period increased so that operating cash flow declined by €110 million to €164 million (previous year: €274 million).

## SUPPLY CHAIN division

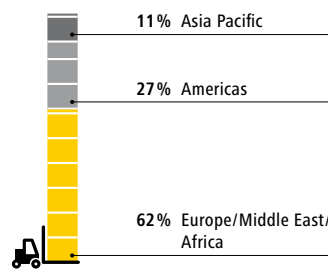
27 SUPPLY CHAIN:  
revenue by sector, H1 2012

Total revenue: €6,937 million



28 SUPPLY CHAIN:  
revenue by region, H1 2012

Total revenue: €6,937 million



### Revenue up 9.2%

In the SUPPLY CHAIN division, first-half revenue increased by 9.2% from €6,352 million to €6,937 million. This figure includes positive currency effects of €333 million. Revenue was impacted by the previous year's acquisition of Eurodifarm and Tag as well as the sale of Exel Transportation Services (ETS). Excluding these effects, revenue growth was 4.4%, with the Automotive and Life Sciences & Healthcare sectors providing the largest increase. In the second quarter, we saw a rise of 12.5% to €3,528 million. Revenue increased 3.0% without positive currency effects (€243 million) and acquisitions.

In the Supply Chain business unit, first-half revenue grew by 7.8% from €5,832 million to €6,284 million in the previous year. Excluding the positive currency effects, the ETS disposal and the Eurodifarm acquisition, growth was 4.7%. Revenue from our 18 key global customers increased by 9.5%.

In the Americas region, volumes in the Consumer, Life Sciences & Healthcare and Automotive sectors continued to perform well and we generated additional revenue from new business.

Revenue growth was strongest in the Asia Pacific region due to increased volumes and revenues from new business in Australia, Thailand and Indonesia.

In Europe, revenue in the Life Sciences & Healthcare sector grew from business with the UK National Health Service and a better mix of higher-value products. Volumes and new business also increased in Eastern Europe, the Middle East and Africa.

Williams Lea revenue was €656 million in the first half, an increase of 25.7% on the previous year (€522 million). Excluding the Tag acquisition and positive currency effects, growth was 0.8%. Most of this growth came from the Marketing Solutions business in the Americas and was partially offset by a decline in the Financial Services sector.

### New business of around €520 million concluded

In the Supply Chain business unit, we concluded additional contracts worth around €520 million in annualised revenue with both new and existing customers. Major gains were achieved in the Life Sciences & Healthcare, Retail, Consumer and Technology sectors. The high annualised contract renewal rate remained constant.

### Prior-year gain impacts EBIT development

EBIT in the SUPPLY CHAIN division was €192 million in the first half (previous year: €189 million). The prior-year figure included a €23 million net gain on the disposal of ETS in the second quarter. The EBIT margin was 2.8% compared with 3.0% in the previous year. The rise in EBIT was driven by improved contract portfolio management along with continued cost efficiencies from operational and overhead leverage. EBIT for the second quarter amounted to €101 million compared with €111 million in the previous year. Operating cash flow was €-60 million in the first half (previous year: €125 million), largely due to increased working capital from delayed customer payments, higher receivables from additional revenue and an extended ramp-up of new contracts.

# NON-FINANCIAL PERFORMANCE INDICATORS

## Employees

### **Slight increase in number of employees**

The average number of employees (full-time equivalents) increased slightly to 424,351 in the first six months of 2012, a 0.2% 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

### **Mail-order company Neckermann files insolvency application**

In the middle of July, the mail-order company Neckermann.de GmbH, Frankfurt am Main, filed an application to open insolvency proceedings. Neckermann.de is a customer of Deutsche Post DHL. Depending on how the insolvency proceedings progress, Deutsche Post DHL may experience losses in revenue and earnings.



# OUTLOOK

## Overall assessment of expected performance

### Full-year earnings forecast adjusted

We continue to assume that the world economy will grow by 3% to 3.5% and that world trade will exceed this growth. Based on this assumption and given our performance over the first half of the year, we are adjusting our forecast: we now plan to attain consolidated EBIT for financial year 2012 of between €2.6 billion and €2.7 billion. The MAIL division is still likely to contribute between €1.0 billion and €1.1 billion to this figure, which includes the one-time effects, recorded in the second quarter, of the additional VAT payment. For the DHL divisions we are raising our earnings forecast to around €2.0 billion based on the one-time effects that occurred in the second quarter. 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, from the additional VAT payment and from the reversal of restructuring provisions is expected to continue to improve in 2012 in line with our operating business.

## Opportunities and risks

### Opportunities and risks are identified and assessed early

Our goal is to increase the Group's success on a sustained basis. With this in mind, we have established a uniform controlling process to identify and assess opportunities and risks at an early stage. 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.

### Opportunities

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

### Group will accept the modified tax assessment

The German tax authorities announced in June that they would be modifying certain tax assessments of Deutsche Post AG in the third quarter of 2012. The reassessments will result in an additional VAT payment in the amount of €515 million. The decision resulted from an extensive audit of complex issues pertaining to tax law and relates to the period from 1998 to 30 June 2010. The amended law on VAT for postal services took effect the following day. The Group has already recognised provisions for a large part of the additional VAT payment. In addition, the tax authorities reviewed a number of postal services previously regarded as VAT exempt to determine whether they are subject to taxes retroactively. Although the matter is subject to varying interpretations, in part depending on whether EU or German VAT laws are applied, the Group will accept the new tax assessments. This will conclude all VAT matters in dispute, provide legal certainty and avoid drawn-out legal proceedings with uncertain outcomes.

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**State aid repaid as requested**

In order to implement the European Commission's state aid ruling of 25 January 2012, the German Federal Government on 29 May 2012 called upon Deutsche Post AG to make a payment of €298 million. Deutsche Post AG paid that amount to a trustee on 1 June 2012 and appealed the recovery order. The Federal Republic of Germany also filed an appeal. The European Commission has thus far not made a final decision regarding its acceptance of the calculation of the amount of state aid to be repaid. It cannot be ruled out that Deutsche Post AG may be required to make a higher payment. In its state aid ruling of 25 January 2012, the European Commission did not make a definitive assessment of the amount of the purported unlawful state aid. Such amount was to be calculated by the government. In a press release, the European Commission named a figure of between €500 million and €1 billion. Further information regarding the state aid proceedings is provided in the [2011 Annual Report](#) beginning on page 216.

 [dp-dhl.com/en/investors.html](http://dp-dhl.com/en/investors.html)
**Bundesnetzagentur's Infopost decision appealed against**

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 appealed the ruling to the Cologne Administrative Court. In the event of implementation of the ruling, it can be expected that revenues and earnings would be negatively impacted.

**Overall assessment of risk position**

In the first half of 2012, no further significant risks or changes to such risks arose beyond those presented 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

**CEO's tasks reallocated**

In the CEO's board department, we reallocated tasks effective 1 July 2012. The functions Corporate Regulation Management and Corporate Public Policy were consolidated, as were Corporate Communications and Corporate Responsibility.

## Future economic parameters

### Global upturn to remain moderate

The global upturn is expected to remain rather moderate for the rest of the year. 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 3.8%. The European sovereign debt crisis and the fragile situation in the Middle East are responsible for most of the economic risk.

In China, the central bank is making efforts to stimulate the economy. As a result, growth is likely to increase as the year progresses. Nevertheless, the growth rates of past years will probably not be achieved (IMF: 8.0%).

The Japanese economy will continue to recover in the second half of the year. Exports are anticipated to increase substantially and gross fixed capital formation is also likely to remain high on account of the rebuilding efforts after the earthquake. Private consumption is likewise expected to expand. Solid to strong growth is therefore projected for overall GDP (IMF: 2.4%, Postbank Research: 2.7%).

In the United States, the economy is projected to experience steady but not very rapid growth. Investments in machinery and equipment as well as construction spending are likely to contribute to this. Private consumption is expected to expand at a steady but moderate pace. Neither positive nor negative effects are likely from foreign trade, whilst public spending is expected to put the brakes on the economy. On the whole, however, GDP is likely to grow somewhat more strongly than in the previous year (IMF: 2.0%, Postbank Research: 2.1%).

The euro zone economy is anticipated to overcome the recession in the second half of the year but growth will probably be weak. Gross fixed capital formation is likely to drop considerably compared with the previous year, whilst private consumption and public spending are expected to decline slightly. Exports will presumably see much stronger growth than imports. However, this is unlikely to prevent a decline in GDP (ECB: -0.1%; Postbank Research: -0.2%).

The German economy is expected to suffer from soft demand from the other euro zone countries and from the sovereign debt crisis. Export growth is forecast to weaken considerably. Investments in machinery and equipment as well as construction spending are expected to increase further but not by as much as in the previous year. Private consumption may prove to be a pillar of growth, benefiting from the continued increase in employment figures 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* (German Council of Economic Experts): 0.8%; Postbank Research: 1.0%).

## 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 performance over the first half of the year, we are adjusting our forecast: we now plan to attain consolidated EBIT for financial year 2012 of between €2.6 billion and €2.7 billion. The MAIL division is still likely to contribute between €1.0 billion and €1.1 billion to this figure, which includes the one-time effects, recorded in the second quarter, of the additional VAT payment. For the DHL divisions we are raising our earnings forecast to around €2.0 billion based on the one-time effects that occurred in the second quarter. 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 that began 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, from the additional VAT payment and from the reversal of restructuring provisions 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.

 Opportunities and risks, page 22

## Projected financial position

### Creditworthiness of the Group stabilises

In the second quarter, Standard & Poor's removed the credit watch with negative implications it had imposed. We expect the "FFO to debt" performance metric to improve again significantly towards the end of the year and the rating agencies to continue to rank our creditworthiness as adequate.

### Liquidity situation remains solid

Due to the one-off additional VAR payment determined by the German tax authorities in the amount of €515 million, our liquidity will deteriorate in the third quarter of 2012. 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.

### Investments to increase

As described in our 2011 Annual Report, we intend to increase capital expenditure in 2012 to €1.8 billion. Investments will focus primarily on IT, machinery, transport equipment and aircraft.

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

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

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## 29 INCOME STATEMENT

1 January to 30 June

€m	H1 2011 adjusted <sup>1</sup>	H1 2012	Q2 2011 adjusted <sup>1</sup>	Q2 2012
Revenue	25,610	27,096	12,803	13,732
Other operating income	881	1,139	492	761
Total operating income	26,491	28,235	13,295	14,493
Materials expense	-14,639	-15,488	-7,376	-7,917
Staff costs	-8,285	-8,787	-4,157	-4,460
Depreciation, amortisation and impairment losses	-611	-647	-303	-331
Other operating expenses	-1,765	-2,079	-897	-1,242
Total operating expenses	-25,300	-27,001	-12,733	-13,950
<b>Profit from operating activities (EBIT)</b>	<b>1,191</b>	<b>1,234</b>	<b>562</b>	<b>543</b>
Net income from associates	58	0	0	0
Other financial income	178	611	99	43
Other finance costs	-540	-741	-244	-263
Foreign currency result	-15	-36	-13	-22
Net other finance costs	-377	-166	-158	-242
<b>Net finance costs</b>	<b>-319</b>	<b>-166</b>	<b>-158</b>	<b>-242</b>
<b>Profit before income taxes</b>	<b>872</b>	<b>1,068</b>	<b>404</b>	<b>301</b>
Income taxes	-218	-288	-101	-81
<b>Consolidated net profit for the period</b>	<b>654</b>	<b>780</b>	<b>303</b>	<b>220</b>
attributable to Deutsche Post AG shareholders	603	734	278	201
attributable to non-controlling interests	51	46	25	19
<b>Basic earnings per share (€)</b>	<b>0.50</b>	<b>0.61</b>	<b>0.23</b>	<b>0.17</b>
<b>Diluted earnings per share (€)</b>	<b>0.50</b>	<b>0.61</b>	<b>0.23</b>	<b>0.17</b>

<sup>1</sup> Note 4.

## 30 STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 June

€m	H1 2011	H1 2012	Q2 2011	Q2 2012
<b>Consolidated net profit for the period</b>	<b>654</b>	<b>780</b>	<b>303</b>	<b>220</b>
<b>Currency translation reserve</b>				
Changes from unrealised gains and losses	-327	210	-46	303
Changes from realised gains and losses	-25	2	-25	2
<b>Other changes in retained earnings</b>				
Changes from unrealised gains and losses	1	1	1	1
Changes from realised gains and losses	0	0	0	0
<b>Hedging reserve in accordance with IAS 39</b>				
Changes from unrealised gains and losses	15	-51	-10	-51
Changes from realised gains and losses	-2	23	-3	13
<b>Revaluation reserve in accordance with IAS 39</b>				
Changes from unrealised gains and losses	-11	-10	-5	-10
Changes from realised gains and losses	0	0	0	0
<b>Revaluation reserve in accordance with IFRS 3</b>				
Changes from unrealised gains and losses	-1	-1	-1	-1
Changes from realised gains and losses	0	0	0	0
Income taxes relating to components of other comprehensive income	-3	10	5	12
Share of other comprehensive income of associates (after tax)	10	-37	0	0
<b>Other comprehensive income (after tax)</b>	<b>-343</b>	<b>147</b>	<b>-84</b>	<b>269</b>
<b>Total comprehensive income</b>	<b>311</b>	<b>927</b>	<b>219</b>	<b>489</b>
attributable to Deutsche Post AG shareholders	272	875	195	460
attributable to non-controlling interests	39	52	24	29



# 31 BALANCE SHEET

€ m	31 Dec. 2011	30 June 2012
<b>ASSETS</b>		
Intangible assets	12,196	12,305
Property, plant and equipment	6,493	6,510
Investment property	40	44
Investments in associates	44	46
Non-current financial assets	729	1,047
Other non-current assets	570	628
Deferred tax assets	1,153	1,127
<b>Non-current assets</b>	<b>21,225</b>	<b>21,707</b>
Inventories	273	296
Income tax assets	239	245
Receivables and other current assets	9,089	10,122
Current financial assets	2,498	194
Cash and cash equivalents	3,123	2,340
Assets held for sale	1,961	25
<b>Current assets</b>	<b>17,183</b>	<b>13,222</b>
<b>Total ASSETS</b>	<b>38,408</b>	<b>34,929</b>
<b>EQUITY AND LIABILITIES</b>		
Issued capital	1,209	1,209
Other reserves	1,714	1,850
Retained earnings	8,086	7,994
Equity attributable to Deutsche Post AG shareholders	11,009	11,053
Non-controlling interests	190	210
<b>Equity</b>	<b>11,199</b>	<b>11,263</b>
Provisions for pensions and similar obligations	4,445	4,443
Deferred tax liabilities	255	232
Other non-current provisions	2,174	1,963
Non-current provisions	6,874	6,638
Non-current financial liabilities	1,366	2,558
Other non-current liabilities	347	277
Non-current liabilities	1,713	2,835
<b>Non-current provisions and liabilities</b>	<b>8,587</b>	<b>9,473</b>
Current provisions	2,134	1,761
Current financial liabilities	5,644	1,151
Trade payables	6,168	5,841
Income tax liabilities	570	624
Other current liabilities	4,106	4,816
Liabilities associated with assets held for sale	0	0
Current liabilities	16,488	12,432
<b>Current provisions and liabilities</b>	<b>18,622</b>	<b>14,193</b>
<b>Total EQUITY AND LIABILITIES</b>	<b>38,408</b>	<b>34,929</b>

## 32 CASH FLOW STATEMENT

1 January to 30 June

€m	H1 2011	H1 2012	Q2 2011	Q2 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	603	734	278	201
Consolidated net profit for the period attributable to non-controlling interests	51	46	25	19
Income taxes	218	288	101	81
Net other finance costs	377	166	158	242
Net income from associates	-58	0	0	0
Profit from operating activities (EBIT)	1,191	1,234	562	543
Depreciation, amortisation and impairment losses	611	647	303	331
Net income from disposal of non-current assets	-48	-55	-38	-49
Non-cash income and expense	11	-4	1	-3
Change in provisions	-484	-774	-286	-530
Change in other non-current assets and liabilities	-53	-50	-28	-22
Income taxes paid	-202	-227	-116	-136
<b>Net cash from operating activities before changes in working capital</b>	<b>1,026</b>	<b>771</b>	<b>398</b>	<b>134</b>
Changes in working capital				
Inventories	-13	-18	2	-6
Receivables and other current assets	-580	-986	258	-150
Liabilities and other items	-150	91	-341	237
<b>Net cash from/used in operating activities</b>	<b>283</b>	<b>-142</b>	<b>317</b>	<b>215</b>
Subsidiaries and other business units	66	39	66	39
Property, plant and equipment and intangible assets	95	104	43	48
Other non-current financial assets	11	26	3	21
Proceeds from disposal of non-current assets	172	169	112	108
Subsidiaries and other business units	-35	-35	-35	-37
Property, plant and equipment and intangible assets	-683	-667	-378	-353
Other non-current financial assets	-13	-325	-4	-314
Cash paid to acquire non-current assets	-731	-1,027	-417	-704
Interest received	36	27	24	13
Dividend received	0	0	0	0
Current financial assets	195	0	190	-10
<b>Net cash used in investing activities</b>	<b>-328</b>	<b>-831</b>	<b>-91</b>	<b>-593</b>
Proceeds from issuance of non-current financial liabilities	7	1,247	0	1,242
Repayments of non-current financial liabilities	-141	-30	-110	-14
Change in current financial liabilities	-67	-26	-45	6
Other financing activities	-26	0	-12	-6
Proceeds from transactions with non-controlling interests and venturers	0	10	0	10
Cash paid for transactions with non-controlling interests	0	-60	0	-60
Dividend paid to Deutsche Post AG shareholders	-786	-846	-786	-846
Dividend paid to non-controlling interest holders	-59	-7	-54	-6
Purchase of treasury shares	-21	-26	0	-4
Interest paid	-101	-93	-34	-36
<b>Net cash used in/from financing activities</b>	<b>-1,194</b>	<b>169</b>	<b>-1,041</b>	<b>286</b>
Net change in cash and cash equivalents	-1,239	-804	-815	-92
Effect of changes in exchange rates on cash and cash equivalents	-48	21	-6	37
Changes in cash and cash equivalents associated with assets held for sale	-3	0	3	0
Changes in cash and cash equivalents due to changes in consolidated group	0	0	0	1
Cash and cash equivalents at beginning of reporting period	3,415	3,123	2,943	2,394
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,125</b>	<b>2,340</b>	<b>2,125</b>	<b>2,340</b>

## 33 STATEMENT OF CHANGES IN EQUITY

1 January to 30 June

€m

	Issued capital	Other reserves				Retained earnings	Equity attributable to Deutsche Post AG shareholders	Non-controlling interests	Total equity
		Capital reserves	IAS 39 reserves	IFRS 3 revaluation reserve	Currency translation reserve				
Balance at 1 January 2011	1,209	2,158	53	6	-682	7,767	10,511	185	10,696
<b>Capital transactions with owner</b>									
Dividend	0	0	0	0	0	-786	-786	-65	-851
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	-20	-22	0	-22
Share Matching Scheme (issuance)	0	22	0	0	0	0	22	0	22
Share Matching Scheme (exercise)	2	-22	0	0	0	20	0	0	0
							-786	-65	-851
<b>Total comprehensive income</b>									
Consolidated net profit for the period	0	0	0	0	0	603	603	51	654
Currency translation differences	0	0	0	0	-343	0	-343	-12	-355
Other changes	0	0	12	-1	0	1	12	0	12
							272	39	311
<b>Balance at 30 June 2011</b>	<b>1,209</b>	<b>2,158</b>	<b>65</b>	<b>5</b>	<b>-1,025</b>	<b>7,585</b>	<b>9,997</b>	<b>159</b>	<b>10,156</b>
Balance at 1 January 2012	1,209	2,170	56	5	-517	8,086	11,009	190	11,199
<b>Capital transactions with owner</b>									
Dividend	0	0	0	0	0	-846	-846	-7	-853
Transactions with non-controlling interests	0	0	0	0	-3	21	18	-19	-1
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	-6	-6
Purchase of treasury shares	-2	0	0	0	0	-24	-26	0	-26
Share Matching Scheme (issuance)	0	23	0	0	0	0	23	0	23
Share Matching Scheme (exercise)	2	-24	0	0	0	22	0	0	0
							-831	-32	-863
<b>Total comprehensive income</b>									
Consolidated net profit for the period	0	0	0	0	0	734	734	46	780
Currency translation differences	0	0	0	0	250	0	250	6	256
Other changes	0	0	-109	-1	0	1	-109	0	-109
							875	52	927
<b>Balance at 30 June 2012</b>	<b>1,209</b>	<b>2,169</b>	<b>-53</b>	<b>4</b>	<b>-270</b>	<b>7,994</b>	<b>11,053</b>	<b>210</b>	<b>11,263</b>

# 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 30 June 2012 and have been reviewed.

## BASIS OF PREPARATION

### 1 Basis of accounting

The accompanying condensed consolidated interim financial statements as at 30 June 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.

The amendment to IAS 12 (Income Taxes: Deferred Tax: Recovery of Underlying Assets) would have been applicable to financial years beginning on or after 1 January 2012. However, since the endorsement procedure by the EU is still outstanding, it has not yet been applied.

In June 2012, the EU adopted the amendments to IAS 1 (Presentation of Financial Statements) and IAS 19 (Employee Benefits). The amendments are effective for financial years beginning on or after 1 July 2012 and 1 January 2013 respectively.

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.

The decrease in the number of equity-accounted companies is largely attributable to the derecognition of Deutsche Postbank AG and its subsidiaries.

#### Consolidated group

	31 Dec. 2011	30 June 2012
<b>Number of fully consolidated companies (subsidiaries)</b>		
German	76	82
Foreign	754	745
<b>Number of proportionately consolidated joint ventures</b>		
German	1	1
Foreign	13	4
<b>Number of equity-accounted companies (associates)<sup>1</sup></b>		
German	31	1
Foreign	28	8

<sup>1</sup> The equity interest in Deutsche Postbank AG was measured in accordance with IFRS 5 from March 2011 and was derecognised in February 2012.

#### Acquisitions in the period up to 30 June 2012

Deutsche Post DHL acquired the following company in the first half 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	Carrying amount	Adjustments	Fair value
1 January to 30 June			
<b>ASSETS</b>			
Non-current assets	1	–	1
Current assets	3	–	3
Cash and cash equivalents	2	–	2
	6	–	6
<b>EQUITY AND LIABILITIES</b>			
Current liabilities and provisions	4	–	4
	4	–	4
<b>Net assets</b>			2

The calculation of goodwill is presented in the following table:

##### Goodwill, 2012

€m	Fair value
Cost	0
Less net assets	2
<b>Negative goodwill</b>	–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 half of 2012. €37 million was paid for companies acquired in previous years. The purchase price for the company acquired was paid by transferring cash funds.

The following insignificant acquisitions were made in the prior-year period:

##### Additions, 2011

Name	Country	Segment	Equity interest in %	Date of acquisition
Adcloud GmbH (Adcloud), Cologne	Germany	MAIL	100	1 April 2011
Eurodifarm srl. (Eurodifarm), Lodi	Italy	SUPPLY CHAIN	100	11 May 2011
Standard Forwarding LLC (Standard Forwarding), East Moline	USA	GLOBAL FORWARDING, FREIGHT	100	1 June 2011

##### Insignificant acquisitions, 2011

€m	Carrying amount	Adjustments	Fair value
1 January to 30 June			
<b>ASSETS</b>			
Non-current assets	9	–	9
Current assets	24	–	24
Cash and cash equivalents	6	–	6
	39	–	39
<b>EQUITY AND LIABILITIES</b>			
Non-current liabilities and provisions	3	–	3
Current liabilities and provisions	33	–	33
	36	–	36
<b>Net assets</b>			3

##### Goodwill, 2011

€m	Fair value
Cost	59
Less net assets	3
<b>Goodwill</b>	56

The variable purchase prices given in the table below were agreed for the acquisitions in the previous year:

##### Contingent consideration

Basis	Period for financial years from/to	Results range from	Fair value of payment obligation
Revenue and gross income	2011 to 2013	€0 to €25 million	€5.8 million
EBITDA	2011 and 2012	unlimited	€1 million
Revenue and EBITDA	2011 to 2013	€0 to €3 million	€2 million

There were no changes as against the initial estimates.

€50 million was expended on purchasing subsidiaries in the first half of 2011. In addition, Deutsche Post DHL received €8 million in purchase price adjustments relating to companies acquired in previous years. The purchase prices of the acquired companies were paid in cash.

#### Acquisitions after the reporting date

On 9 July 2012, Deutsche Post DHL acquired intelliAd Media GmbH, based in Munich, Germany, for €15 million. The company is a bid-management technology supplier active in the area of search engine advertising. This acquisition strengthens Deutsche Post AG's position as a core technology infrastructure supplier and will be allocated to the MAIL segment. The company's preliminary net assets amount to €1 million. This results in preliminary goodwill of €14 million. In addition, a variable purchase price was agreed for the acquisition. Final purchase price allocation will be disclosed in a subsequent financial report because not all information is available as yet.

#### Disposal and deconsolidation effects in the period up to 30 June 2012

##### EXPRESS SEGMENT

The sales of the Express Couriers Limited (ECL), New Zealand, and Parcel Direct Group Pty Limited (PDG), Australia, joint ventures closed at the end of June 2012. The buyer is the former joint venture partner, New Zealand Post.

##### GLOBAL FORWARDING, FREIGHT SEGMENT

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	2011			2012		
	Exel Transportation Services	DHL Express Canada	Total	DHL Oman	ECL, PDG	Total
1 January to 30 June						
Non-current assets	0	11	11	0	38	38
Current assets	0	2	2	8	18	26
Assets held for sale <sup>1</sup>	113	0	113	0	0	0
Cash and cash equivalents	0	0	0	1	9	10
<b>ASSETS</b>	<b>113</b>	<b>13</b>	<b>126</b>	<b>9</b>	<b>65</b>	<b>74</b>
Non-current liabilities and provisions	0	0	0	0	24	24
Current liabilities and provisions	0	5	5	6	41	47
Liabilities associated with assets held for sale <sup>1</sup>	62	0	62	0	0	0
<b>EQUITY AND LIABILITIES</b>	<b>62</b>	<b>5</b>	<b>67</b>	<b>6</b>	<b>65</b>	<b>71</b>
<b>Net assets</b>	<b>51</b>	<b>8</b>	<b>59</b>	<b>3</b>	<b>0</b>	<b>3</b>
Total consideration received	55	10	65	1	48	49
Income (+)/expenses (-) from the currency translation reserve	24	1	25	0	-4	-4
Non-controlling interests	0	0	0	2	0	2
<b>Deconsolidation gain (+)</b>	<b>28</b>	<b>3</b>	<b>31</b>	<b>0</b>	<b>44</b>	<b>44</b>

<sup>1</sup> Figures before deconsolidation.

Losses are shown under other operating expenses; gains are reported under other operating income.

In the prior-year period, Deutsche Post DHL sold the freight forwarding company Exel Transportation Services Inc., USA, including Exel Transportation Services Inc. (Canadian Branch), and the Canadian domestic express business of DHL Express Canada.

Please see [Note 3](#) for information on the sale of the interest in Deutsche Postbank AG.

### 3 Significant transactions

#### Sale of Deutsche Postbank shares

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 half 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
<b>Total</b>	<b>2,420</b>
Less carrying amount of the investment	1,916
<b>Total</b>	<b>504</b>
Less expenses from the currency translation reserve	44
Plus income from the IAS 39 reserves	81
<b>Disposal gain</b>	<b>541</b>
Other effects of the Postbank sale	-355
<b>Total effect</b>	<b>186</b>

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

#### Other effects of the Postbank sale

€m	H1 2011	H1 2012
Interest expense on exchangeable bond	-64	-20
Interest expense on cash collateral	-25	-8
Net loss on subsequent measurement of the forward	-107	-228
Net loss on measurements of the option (tranche III)	-47	-99
Impairment loss (-) on measurement of shares before reclassification under IFRS 5	-63	0
Reversal of impairment loss (+) on shares under IFRS 5	115	0
<b>Total</b>	<b>-191</b>	<b>-355</b>

#### Demand for repayment of state aid

In order to implement the European Commission's state aid ruling of 25 January 2012, the German Federal Government on 29 May 2012 called upon Deutsche Post AG to make a payment of €298 million, including interest. In agreement with the government, Deutsche Post AG paid this amount into a trust account on 1 June 2012 and appealed the recovery order. The European Commission had instituted state aid proceedings in 2007 and in its decision had come to the conclusion that the pension relief on civil servants' pensions granted by the *Bundesnetzagentur* (German Federal Network Agency) during the price approval process had led to illegal state aid being granted to Deutsche Post AG. 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.

The European Commission has thus far not made a final decision regarding its acceptance of the calculation of the amount of state aid to be repaid. It cannot be ruled out that Deutsche Post AG may be required to make a higher payment. In its state aid ruling of 25 January 2012, the European Commission did not make a definitive assessment of the amount of the purported unlawful state aid. Such amount is to be calculated by the government. The payment made was reported solely in the non-current assets item of the balance sheet; the earnings position remains unaffected. Detailed information regarding the state aid ruling can be found in the 2011 Annual Report, Notes 51 and 57.

#### Additional VAT payment

The German tax authorities announced in June 2012 that they would be modifying certain tax assessments of Deutsche Post AG in the third quarter of 2012. The reassessments will result in an additional VAT payment in the amount of €515 million. The decision resulted from an extensive audit of complex issues pertaining to tax law and relates to the period from 1998 to 30 June 2010. The amended law on VAT for postal services took effect on 1 July 2010. A large part of the additional payment amount relates to tax matters for which the Group has in some cases already recognised provisions. As a result, the impact on EBIT amounts to €181 million for the first half of 2012, whilst the interest expense is €115 million.

#### Bond issues

Two new bonds with a total notional volume of €1.25 billion were placed on the market in mid June 2012 under the Debt Issuance Programme (DIP). The bonds were issued by Deutsche Post Finance B.V. and are fully guaranteed by Deutsche Post AG.

#### Bonds issued under the Debt Issuance Programme

Name	Nominal coupon	Issue volume
Bond 2012/2017	1.875%	€750 million
Bond 2012/2022	2.950%	€500 million

The two bonds will mature on 27 June 2017 and 2022 respectively.



## 4 Adjustment of prior-period amounts

### Income statement

€m	H1 2011	Adjustments	H1 2011 adjusted
Revenue	25,681	-71	<b>25,610</b>
Materials expense	-14,710	71	<b>-14,639</b>

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	H1 2011	H1 2012
Income from the reversal of provisions	105	224
Income from currency translation differences	75	129
Insurance income	85	88
Income from fees and reimbursements	72	76
Rental and lease income	86	72
Gains on disposal of non-current assets	67	71
Commission income	48	68
Income from the remeasurement of liabilities	30	47
Income from work performed and capitalised	44	43
Reversals of impairment losses on receivables and other assets	27	38
Income from prior-period billings	33	19
Income from loss compensation	10	12
Income from derivatives	3	9
Income from the derecognition of liabilities	15	8
Subsidies	4	5
Recoveries on receivables previously written off	14	4
Miscellaneous	163	226
<b>Total</b>	<b>881</b>	<b>1,139</b>

The income from the reversal of provisions primarily reflects changes in the assessment of settlement payment obligations assumed in the context of the restructuring measures in the USA.

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

## 6 Other operating expenses

€m	H1 2011	H1 2012
Other business taxes	151	390
Travel and training costs	161	171
Cost of purchased cleaning, transport and security services	141	153
Expenses from currency translation differences	77	131
Expenses for advertising and public relations	149	125
Warranty expenses, refunds and compensation payments	128	119
Insurance costs	94	115
Telecommunication costs	119	111
Consulting costs (including tax advice)	85	88
Write-downs of current assets	87	86
Office supplies	81	85
Entertainment and corporate hospitality expenses	65	67
Services provided by the Federal Posts and Telecommunications Agency	38	41
Voluntary social benefits	41	39
Contributions and fees	34	36
Commissions paid	29	33
Legal costs	29	29
Expenses from derivatives	10	25
Monetary transaction costs	15	21
Prior-period other operating expenses	19	19
Losses on disposal of assets	20	18
Donations	14	16
Audit costs	14	15
Additions to provisions	2	2
Miscellaneous	162	144
<b>Total</b>	<b>1,765</b>	<b>2,079</b>

The increase in other business taxes relates to the additional VAT payment for the period from 1998 to 30 June 2010; ➔ [Note 3](#).

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 €36 million year-on-year, from €611 million to €647 million. This item includes impairment losses of €6 million (previous year: €10 million), which are attributable to the segments as follows:

Impairment losses		
€m	H1 2011	H1 2012
<b>EXPRESS</b>		
Property, plant and equipment	5	6
<b>SUPPLY CHAIN</b>		
Property, plant and equipment	5	0
<b>Impairment losses</b>	<b>10</b>	<b>6</b>

The impairment losses relate solely to aircraft.

The impairment losses for the previous year are attributable to land and buildings, technical equipment and machinery, IT equipment and transport equipment.

## 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 finance costs; this item decreased as a result of the disposal of Deutsche Postbank AG.

## 9 Net other finance costs

The net other finance costs of €166 million (previous year: €377 million) are largely due to the effects of the Postbank sale, which was completed in February 2012, as well as to the interest expense on the VAT payment; [Note 3](#).

## 10 Earnings per share

Basic earnings per share in the period under review were €0.61.

Basic earnings per share		
	H1 2011	H1 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m 603	734
Weighted average number of shares outstanding	shares 1,208,740,874	1,208,765,874
<b>Basic earnings per share</b>	<b>€ 0.50</b>	<b>0.61</b>

Diluted earnings per share in the reporting period were €0.61. Executives were entitled to 5,621,740 rights to shares as at the reporting date.

### Diluted earnings per share

		H1 2011	H1 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	603	734
Weighted average number of shares outstanding	shares	1,208,740,874	1,208,765,874
Potentially dilutive shares	shares	1,038,180	2,208,039
Weighted average number of shares for diluted earnings	shares	1,209,779,054	1,210,973,913
<b>Diluted earnings per share</b>	<b>€</b>	<b>0.50</b>	<b>0.61</b>

## BALANCE SHEET DISCLOSURES

### 11 Intangible assets and property, plant and equipment

Investments in intangible assets and property, plant and equipment amounted to €679 million in the period up to 30 June 2012 (previous year: €623 million). Of this figure, €130 million (previous year: €84 million) was attributable to intangible assets (not including goodwill). Investments in property, plant and equipment are shown in the following table:

#### Investments in property, plant and equipment

€m	30 June 2011	30 June 2012
<b>Property, plant and equipment</b>		
Land and buildings (incl. leasehold improvements)	17	32
Technical equipment and machinery	72	55
Transport equipment	97	78
Aircraft	16	36
IT equipment	30	37
Other operating and office equipment	23	23
Advance payments and assets under development	284	288
<b>Total</b>	<b>539</b>	<b>549</b>

Goodwill changed as follows in the reporting period:

#### Change in goodwill

€m	2011	2012
<b>Cost</b>		
Balance at 1 January	11,759	12,074
Additions to consolidated group	136	0
Additions	4	0
Disposals	-34	-29
Currency translation differences	209	155
<b>Balance at 31 December/30 June</b>	<b>12,074</b>	<b>12,200</b>
<b>Impairment losses</b>		
Balance at 1 January	1,093	1,101
Disposals	-7	-3
Currency translation differences	15	20
<b>Balance at 31 December/30 June</b>	<b>1,101</b>	<b>1,118</b>
<b>Carrying amount at 31 December/30 June</b>	<b>10,973</b>	<b>11,082</b>

## 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
<b>Changes in Group's share of equity</b>		
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
<b>Carrying amount at 31 December/30 June</b>	<b>44</b>	<b>46</b>

The additions relate mainly to DHL Oman, which was de-consolidated 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	30 June 2012	31 Dec. 2011	30 June 2012
Investment in Deutsche Postbank AG (Corporate Center/Other)	1,916	0	0	0
Deutsche Post AG – real estate (Corporate Center/Other)	21	20	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	3	0	0
Other	5	2	0	0
<b>Assets held for sale and liabilities associated with assets held for sale</b>	<b>1,961</b>	<b>25</b>	<b>0</b>	<b>0</b>

The sale of the shares in Deutsche Postbank AG held by Deutsche Post AG was completed at the end of February 2012; ➔ Note 3.

The properties held for sale by Deutsche Post Immobilienentwicklung Grundstücksgesellschaft, Germany, were reclassified 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	-1,770,503
Treasury shares issued	1,676,178	1,770,503
<b>Balance at 31 December/30 June</b>	<b>1,209,015,874</b>	<b>1,209,015,874</b>

Deutsche Post DHL acquired 1.8 million shares at a total price of €26 million, including transaction costs, to settle entitlements due under the 2011 tranche of the bonus programme for executives (Share Matching Scheme). In addition, 2,082 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 €14.42.

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 increased again when the shares were issued to the executives. 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	-846
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	1,163	734
Transactions with non-controlling interests	-59	21
Miscellaneous other changes	1	-1
<b>Balance at 31 December/30 June</b>	<b>8,086</b>	<b>7,994</b>

The dividend payment to Deutsche Post AG shareholders of €846 million was made in May 2012. This corresponds to a dividend of €0.70 per share.

As in the previous year, the amounts reported under transactions with non-controlling interests largely related to the option to acquire the remaining interest (24 %) in DHL Logistics Private Limited (formerly 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	GLOBAL													
	MAIL		EXPRESS		FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Group	
1 January to 30 June	2011 <sup>1</sup>	2012	2011 <sup>1</sup>	2012	2011 <sup>1</sup>	2012	2011 <sup>1</sup>	2012	2011	2012	2011 <sup>1</sup>	2012	2011 <sup>1</sup>	2012
External revenue	6,733	6,799	5,496	6,065	7,048	7,320	6,305	6,886	28	26	0	0	25,610	27,096
Internal revenue	46	46	185	199	309	339	47	51	607	562	−1,194	−1,197	0	0
Total revenue	6,779	6,845	5,681	6,264	7,357	7,659	6,352	6,937	635	588	−1,194	−1,197	25,610	27,096
Profit/loss from operating activities (EBIT)	559	431	456	598	186	224	189	192	−199	−211	0	0	1,191	1,234
Net income from associates	0	0	0	0	0	0	0	0	58	0	0	0	58	0
Segment assets <sup>2</sup>	4,325	4,590	8,587	8,756	8,007	8,482	6,314	6,491	3,167	1,276	−254	−230	30,146	29,365
Investments in associates <sup>2</sup>	0	1	28	28	16	17	0	0	0	0	0	0	44	46
Segment liabilities <sup>2, 3</sup>	2,919	2,851	2,684	2,596	2,959	3,227	2,924	2,777	820	884	−186	−129	12,120	12,206
Capex	143	93	222	283	36	65	121	145	101	93	0	0	623	679
Depreciation and amortisation	158	163	163	185	50	55	133	140	97	98	0	0	601	641
Impairment losses	0	0	5	6	0	0	5	0	0	0	0	0	10	6
Total depreciation, amortisation and impairment losses	158	163	168	191	50	55	138	140	97	98	0	0	611	647
Other non-cash expenses	108	123	97	85	38	38	44	48	27	25	0	0	314	319
Employees <sup>4</sup>	147,434	144,855	85,496	84,170	43,451	43,473	133,615	138,891	13,352	12,962	0	0	423,348	424,351
Q2														
External revenue	3,237	3,265	2,840	3,144	3,601	3,809	3,111	3,502	14	12	0	0	12,803	13,732
Internal revenue	22	23	91	100	157	164	25	26	298	284	−593	−597	0	0
Total revenue	3,259	3,288	2,931	3,244	3,758	3,973	3,136	3,528	312	296	−593	−597	12,803	13,732
Profit/loss from operating activities (EBIT)	186	38	242	367	115	137	111	101	−92	−100	0	0	562	543
Net income from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	95	58	140	156	15	33	61	80	60	47	0	0	371	374
Depreciation and amortisation	79	83	82	95	24	28	65	71	48	48	0	0	298	325
Impairment losses	0	0	5	6	0	0	0	0	0	0	0	0	5	6
Total depreciation, amortisation and impairment losses	79	83	87	101	24	28	65	71	48	48	0	0	303	331
Other non-cash expenses	59	62	53	55	19	21	20	27	4	10	0	0	155	175

#### Information about geographical areas

€m												
	Germany		Europe (excluding Germany)		Americas		Asia Pacific		Other regions		Group	
1 January to 30 June	2011 <sup>1</sup>	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011 <sup>1</sup>	2012
External revenue	8,163	8,262	8,534	8,749	4,278	4,740	3,583	4,142	1,052	1,203	25,610	27,096
Non-current assets <sup>2</sup>	4,465	4,509	7,313	7,314	3,376	3,456	3,361	3,371	329	328	18,844	18,978
Capex	376	335	106	130	76	117	40	77	25	20	623	679
Q2												
External revenue	3,961	4,001	4,312	4,434	2,132	2,479	1,847	2,192	551	626	12,803	13,732
Capex	246	177	50	68	37	71	23	46	15	12	371	374

<sup>1</sup> Prior-year amounts adjusted.

<sup>2</sup> As at 31 December 2011 and 30 June 2012.

<sup>3</sup> Including non-interest-bearing provisions.

<sup>4</sup> 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 30 June 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 from 1 July 2011, the 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	H1 2011	H1 2012
Total income of reportable segments	1,390	1,445
Corporate Center/Other	-199	-211
Reconciliation to Group/consolidation	0	0
<b>Profit from operating activities (EBIT)</b>	<b>1,191</b>	<b>1,234</b>
<b>Net finance costs</b>	<b>-319</b>	<b>-166</b>
<b>Profit before income taxes</b>	<b>872</b>	<b>1,068</b>
Income taxes	-218	-288
<b>Consolidated net profit for the period</b>	<b>654</b>	<b>780</b>

## 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
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 €23 million (31 December 2011: €33 million) was transferred to the capital reserves in the period up to 30 June 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	1
2010 tranche	17	2
2011 tranche	13	17
2012 tranche	0	3
Exercise of rights under Share Matching Scheme		
2010 tranche	-21	0
2011 tranche	0	-24
<b>Balance at 31 December/30 June</b>	<b>2,170</b>	<b>2,169</b>

The SAR provisions for the other share-based payment systems for executives amounted to €101 million as at 30 June 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

Contingent liabilities declined by €608 million in comparison with 31 December 2011, to €2,159 million. The decline relates largely to the additional VAT payment; ➔ [Note 3](#). As a result, this tax matter is no longer included under contingent liabilities. The Group's 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

In the middle of July, the mail-order company Neckermann.de GmbH, Frankfurt am Main, filed an application to open insolvency proceedings. Neckermann.de is a customer of Deutsche Post DHL. Depending on how the insolvency proceedings progress, Deutsche Post DHL may experience losses in revenue and earnings. No significant effects arose in the first half of 2012.

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the 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, 1 August 2012

Deutsche Post AG  
The Board of Management



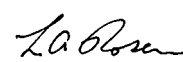
Dr Frank Appel



Ken Allen



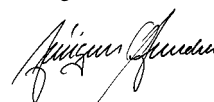
Bruce Edwards



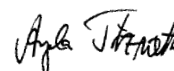
Lawrence Rosen



Roger Crook



Jürgen Gerdes



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 30 June 2012 which are part of the half-yearly financial report pursuant to section 37w 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, 1 August 2012


PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Gerd Eggemann	Dietmar Prümm
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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<b>Press office</b> <hr/> Tel.: +49 (0) 228 182-99 44 Fax: +49 (0) 228 182-98 80 E-mail: <a href="mailto:pressestelle@deutschepost.de">pressestelle@deutschepost.de</a>	<b>Internal</b> <hr/> GeT and DHL Webshop Mat. no. 675-602-335
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## 34 EVENTS


### Financial calendar<sup>1</sup>

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

### Investor events<sup>1</sup>

30 August 2012	Commerzbank Sector Conference (Frankfurt am Main)
6 September 2012	Deutsche Bank Transportation & Aviation Conference (New York)
11 September 2012	Equinet ESN European Conference (Frankfurt am Main)
12–13 September 2012	UBS Best of Germany Conference (New York)
19–20 September 2012	Sanford C. Bernstein's Strategic Decisions Conference (London)
12 November 2012	dz Bank Conference (Frankfurt am Main)
13 November 2012	UBS European Conference (London)
5 December 2012	Credit Suisse Business Services Conference (San Francisco)

<sup>1</sup> Further dates, updates as well as information on live webcasts  [dp-dhl.com/en/investors.html](http://dp-dhl.com/en/investors.html).



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