INTERIM REPORT 2012

3

JANUARY TO SEPTEMBER

Deutsche Post DHL

KEY FIGURES

01 Selected key figures

		9M 2011	9M 2012	+/– %	Q3 2011	Q3 2012	+/– %
Revenue[1]	€m	38,703	40,935	5.8	13,093	13,839	5.7
Profit from operating activities (EBIT)	€m	1,837	1,838	0.1	646	604	–6.5
Return on sales[2]	%	4.7	4.5	–	4.9	4.4	–
Consolidated net profit for the period[3]	€m	988	1,116	13.0	385	382	–0.8
Operating cash flow	€m	1,109	426	–61.6	826	568	–31.2
Net liquidity (–)/net debt (+)[4]	€m	–938	977	–	–	–	–
Earnings per share	€	0.82	0.92	12.2	0.32	0.31	–3.1
Number of employees[5]		423,348	426,104	0.7	–	–	–

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

WHAT WE ACHIEVED IN THE FIRST NINE MONTHS OF 2012

Our business performance was good during the first nine months of 2012. We achieved encouraging revenue growth. EBIT remained only at the prior-year level, due to the additional VAT payment made. The DHL divisions continued to see dynamic growth. In the MAIL division, the previous trend for 2012 of strong growth in the parcel business and moderate declines in the mail business remained intact, although the volume development in the mail business weakened somewhat in the third quarter due to seasonal factors.

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

We are confirming our forecast for financial year 2012. We plan to attain consolidated EBIT of between €2.6 billion and €2.7 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure, which includes the one-time effects from the additional VAT payment. For the DHL divisions, we are maintaining our earnings forecast at around €2.0 billion.

@ Websites

Cross-references

Dr Frank Appel

Chief Executive Officer
Deutsche Post AG

Deutsche Post DHL

7 November 2012

First nine months of 2012

Dear Shareholders,

When we determined our forecast for 2012 at the beginning of the year, we already assumed that the world economy would grow at only a moderate 3% to 3.5%. The latest economic figures indicate that we are indeed at the lower end of this range.

In this difficult environment, the strength of our business model becomes apparent. Thus our very solid performance in the international time-definite express business and the German parcel business will prove to be lasting rather than short term in nature since it is based on our structural strengths.

Our overall business performance was good during the first nine months of financial year 2012. Revenue rose by 5.8% to €40.9 billion. The express and logistics business continues to see very dynamic growth. The DHL divisions achieved their best third quarter to date and I am confident that they will continue to grow in the remaining three months.

The situation in the MAIL division remains a challenge. The general trend of strong growth in the parcel business and moderate declines in the mail business remained intact, although the volume development in the mail business weakened somewhat in the third quarter due to seasonal factors. Moreover, earnings were impacted by the additional VAT payment; as a result, consolidated EBIT was €1.8 billion for the first nine months of 2012 and therefore only on par with the prior year. We expect considerable growth in the parcel business in the fourth quarter, in which our business generally performs well.

We are confirming our forecast for financial year 2012. We plan to attain consolidated EBIT of between €2.6 billion and €2.7 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure, which includes the effects of the additional VAT payment. For the DHL divisions, we are maintaining our earnings forecast at around €2.0 billion.

Our liquidity position was impacted by two significant one-time charges: the aforementioned additional VAT payments and the repayment of state aid. However, operating liquidity is likely to improve again in the fourth quarter. Your company Deutsche Post DHL remains well positioned financially. Nevertheless, improving EBIT and cash flow are at the top of our agenda for the rest of the year.

Yours faithfully,

Deutsche Post DHL
The Mail & Logistics Group

PO box address
Deutsche Post AG
Headquarters
53250 Bonn
GERMANY

Delivery address
Deutsche Post AG
Headquarters
Charles-de-Gaulle-Str. 20
53113 Bonn
GERMANY

Visitor's address
Deutsche Post AG
Headquarters
Platz der Deutschen Post
53113 Bonn
GERMANY

Phone +49 228 182-0
Fax +49 228 182-7099

www.dp-dhl.com

CONTENTS

BUSINESS AND ENVIRONMENT

Organisation

Two new corporate departments in Personnel board department

In the third quarter of 2012, we established two new corporate departments within the Personnel board department: HR Performance & Programs and HR Development, which are given the task of managing key projects, human resources performance as well as forward looking areas such as talent and career development across the Group.

Economic parameters

World economy continues to lose momentum

Growth in the global economy continued to weaken at the beginning of the second half of 2012. Economic performance in the industrial countries was again disappointing. In the emerging economies, the upturn continued but its pace fell further.

Growth in the Asian countries slowed considerably, although it remained high compared with the rest of the world. In China, gross domestic product (GDP) grew by only 7.4% in the third quarter compared with the previous year. The Japanese economy also suffered from weakening export demand. Industrial production saw a noticeable decline. GDP in the third quarter is likely to have increased slightly at best.

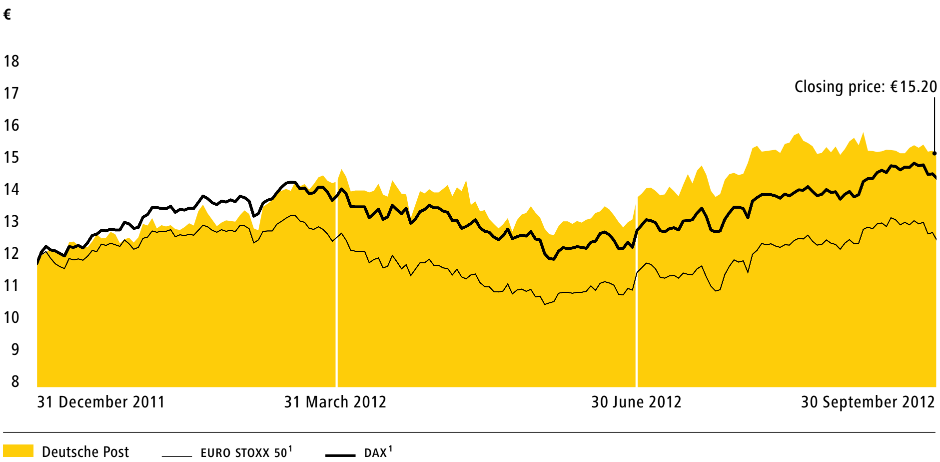
In the United States, the moderate upwards trend is expected to have continued in the third quarter. Private consumption and corporate investment provided slight impulses. There are clear signs of improvement in the housing market but they are not enough to increase economic momentum significantly. In the US labour market, the positive trend improved in the third quarter. The unemployment rate dropped but remained comparatively high for the US. To support the economy and the labour market, the US Federal Reserve maintained its key interest rate at 0% to 0.25%.

In the euro zone, the economy continued to feel the impact of the sovereign debt crisis and consolidation measures in a large number of member states. Private consumption is likely to have stagnated and gross fixed capital formation to have continued its downwards trend. Foreign trade is expected to have provided positive demand-side impulses. It is likely that third quarter GDP will have barely surpassed stagnation levels. 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 continued to weaken in the third quarter. The ifo Business Climate Index fell again and new orders were down noticeably. It is likely that companies have further decreased their investments in machinery and equipment. At the same time private consumption saw only moderate growth. Exports provided positive impulses, with rising exports to countries outside the Economic and Monetary Union (EMU) largely outweighing weak demand from EMU member states. However, overall economic output in the third quarter is expected to have only increased slightly.

DEUTSCHE POST SHARES

02 Share price performance



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

Deutsche Post shares perform better than DAX

Equity markets responded positively to the European Central Bank's market support efforts, climbing sharply in the third quarter. The DAX reached a new 2012 high of 7,451 points on 21 September and closed the first nine months of the year with a 22.3% gain. The EURO STOXX 50 was up 5.9% in the same period. Our share price saw an increase after our half-year reporting, reaching a year-to-date high of €15.98 on 6 September. That day KfW Bankengruppe placed a 5% stake in Deutsche Post with investors; lowering KfW's holding to 25.5% and increasing the free float to 74.5%. Our share price closed the month of September up 27.9% since the beginning of the year, thereby performing better than the DAX.

03 Deutsche Post shares

		30 Dec. 2011	30 Sept. 2012
Closing price	€	11.88	15.20
High[1]	€	13.83	15.98
Low[1]	€	9.13	11.88
Number of shares	millions	1,209.0	1,209.0
Market capitalisation	€m	14,363	18,377
Average trading volume per day[1]	shares	4,898,924	4,229,383

[1] In 2011 and in the first nine months of 2012.

04 Peer group comparison: closing prices

		30 Dec. 2011	30 Sept. 2012	+/– %	30 Sept. 2011	30 Sept. 2012	+/– %
Deutsche Post DHL	€	11.88	15.20	27.9	9.63	15.20	57.8
PostNL	€	2.46	2.71	10.2	3.31	2.71	–18.1
TNT Express	€	5.77	8.13	40.9	5.22	8.13	55.7
FedEx	US$	83.51	84.62	1.3	67.68	84.62	25.0
UPS	US$	73.19	71.57	–2.2	63.15	71.57	13.3
Kuehne + Nagel	CHF	105.50	106.20	0.7	102.80	106.20	3.3

ECONOMIC POSITION

Overall assessment by the Board of Management

Business continues to perform well

Our business performance was good during the first nine months of 2012. The Group achieved encouraging revenue growth. EBIT remained only at the prior-year level, due to the additional VAT payment made. The DHL divisions continued to see dynamic growth. In the MAIL division, the previous trend for 2012 of strong growth in the parcel business and moderate declines in the mail business remained intact, although the volume development in the mail business weakened somewhat in the third quarter due to seasonal factors. 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 in the first quarter, we transferred the remaining shares in Postbank to Deutsche Bank. Deutsche Post AG no longer holds any 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 remained unaffected.

Opportunities and risks, page 23

EBIT impacted by additional VAT payment

The additional VAT payment demanded by the German tax authorities amounted to €482 million after deducting outstanding tax refund claims and was made by the end of the third quarter. Consolidated EBIT was impacted by €–181 million and net finance costs by interest expenses of €115 million during the reporting period given that we had already recognised provisions for a large part of the payment.

Opportunities and risks, page 22

Provisions for restructuring of US express business reversed

A portion of the provisions recognised in connection with the restructuring of the US express business in 2009 has now been reassessed and reversed. This has had a positive impact on EBIT in the amount of €99 million in the second quarter.

Earnings

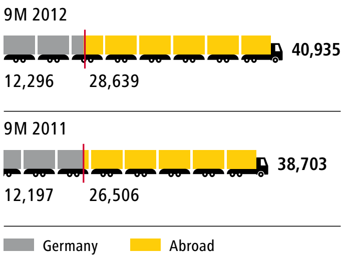
05 Selected indicators for results of operations

		9M 2011	9M 2012	Q3 2011	Q3 2012
Revenue[1]	€m	38,703	40,935	13,093	13,839
Profit from operating activities (EBIT)	€m	1,837	1,838	646	604
Return on sales[2]	%	4.7	4.5	4.9	4.4
Consolidated net profit for the period[3]	€m	988	1,116	385	382
Earnings per share	€	0.82	0.92	0.32	0.31

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

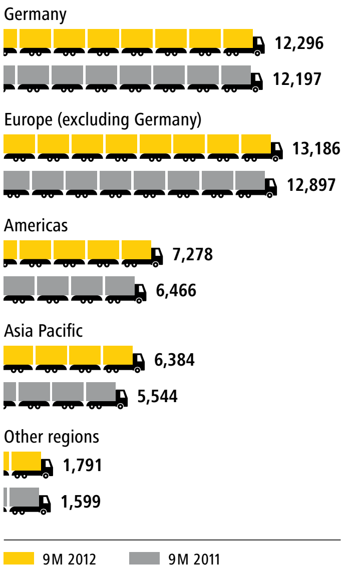
06 Consolidated revenue

€m



07 Revenue by region

€m



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.

In July, we acquired intelliAd Media GmbH, a specialist in search engine advertising domiciled in Munich. The company has been assigned to the MAIL division, where it is helping us to position ourselves as a central provider of technological infrastructures for online advertising.

Consolidated revenue up again

Consolidated revenue was up 5.8 % in the first nine months of 2012 to €40,935 million (previous year, adjusted: €38,703 million). The proportion of consolidated revenue generated abroad grew from 68.5 % to 70.0 %, with positive currency effects accounting for €1,505 million of this increase. By contrast, changes in the portfolio reduced revenue by €182 million.

Third-quarter revenue rose by 5.7 % to €13,839 million (previous year, adjusted: €13,093 million). Changes in the portfolio reduced revenue by €45 million, whilst currency effects lifted it by €639 million.

Other operating income rose by 17.7 % to €1,550 million, mainly due to the reversal of surplus provisions.

Transport costs push up materials expense

Higher transport volumes, freight costs and fuel prices pushed up materials expense by €1,300 million to €23,536 million.

Staff costs also increased, rising from €12,301 million in the same period of the previous year to €13,121 million in the reporting period. In the SUPPLY CHAIN division in particular, the increase in the business volume led to a rise in staff numbers. Currency effects also pushed up costs significantly.

At €990 million, depreciation, amortisation and impairment losses were €76 million higher than in the previous year, principally as a result of investments made in the past.

Other operating expenses increased by €268 million to €3 billion, mainly due to the additional VAT payment.

Consolidated EBIT on par with prior year

At €1,838 million, profit from operating activities (EBIT) was on par with the prior-year period (€1,837 million). In the third quarter, it was down €42 million year-on-year to €604 million.

Net finance costs, on the other hand, improved in the first nine months, from €–411 million to €–264 million. This was primarily attributable to the disposal gain recorded on the Postbank sale.

Profit before income taxes climbed from €1,426 million to €1,574 million. Income taxes increased by €22 million to €378 million.

08 Consolidated EBIT

€m

Improvement in consolidated net profit and earnings per share

Consolidated net profit for the period increased from €1,070 million to €1,196 million. €1,116 million of this is attributable to shareholders of Deutsche Post AG and €80 million to non-controlling interest holders. Both basic and diluted earnings per share rose from €0.82 to €0.92.

Financial position

09 Selected cash flow indicators

€m	9M 2011	9M 2012	Q3 2011	Q3 2012
Cash and cash equivalents as at 30 September	2,779	2,230	2,779	2,230
Change in cash and cash equivalents	–616	–903	623	–99
Net cash from operating activities	1,109	426	826	568
Net cash used in investing activities	–486	–1,237	–158	–406
Net cash used in financing activities	–1,239	–92	–45	–261

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.

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In the first nine months of 2012, the "FFO to debt" performance metric declined as anticipated, despite the fact that our funds from operations increased. The primary reasons for the decrease were two one-time charges impacting liquidity in the form of an additional VAT payment in the amount of €482 million and a repayment of state aid in the amount of €298 million. The decline in operating cash flow before changes in working capital and the rise in interest paid are also attributable to effects related to the additional VAT payment. Since the related effects are non-recurring, they were recorded under non-recurring income/expenses (see table 10).

Opportunities and risks, page 22
Opportunities and risks, page 23

The rating agencies Standard & Poor's and Moody's Investors Service reviewed our credit rating during the reporting period. Both confirmed their ratings of "BBB+" and "Baa1", respectively. Whereas Standard & Poor's removed its credit watch with negative implications due to the expected rise in earnings in 2012, Moody's raised its outlook from "stable" to "positive" based above all on our operating improvements.

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 September 2012, the Group had cash and cash equivalents of €2.2 billion.

10 FFO to debt

€m	1 Jan. to 31 Dec. 2011	1 Oct. 2011 to 30 Sept. 2012
Operating cash flow before changes in working capital	2,234	1,976
+ Interest and dividends received	72	53
− Interest paid	163	297
+ Adjustment for operating leases	1,104	1,104
+ Adjustment for pensions	153	153
+ Non-recurring income/expenses	208	707
= **Funds from operations (FFO)**	**3,608**	**3,696**
Reported financial liabilities[1]	7,010	3,671
− Financial liabilities related to the sale of Deutsche Postbank AG[1]	4,344	0
− Financial liabilities at fair value through profit or loss[1]	137	124
+ Adjustment for operating leases[2]	5,295	5,295
+ Adjustment for pensions[2]	5,639	5,639
− Surplus cash and near-cash investments[1, 3]	2,286	1,353
= **Debt**	**11,177**	**13,128**
FFO to debt (%)	**32.3**	**28.2**

[1] As at 31 December 2011 and 30 September 2012, respectively.
[2] As at 31 December 2011.
[3] Surplus cash and near-cash investments are defined as cash and cash equivalents and investment funds callable at sight, less cash needed for operations.

Capital expenditure increases year-on-year

As at the end of September 2012, the Group's aggregate capital expenditure (capex) amounted to €1,135 million. This represents a year-on-year increase of 9.0% (previous year: €1,041 million). Investments were made mainly to replace and increase assets as follows: €916 million was invested in property, plant and equipment and €219 million in intangible assets excluding goodwill. Investments in property, plant and equipment related primarily to advance payments and assets under development (€473 million), transport equipment (€173 million), technical equipment and machinery (€72 million), IT equipment (€57 million) and aircraft (€52 million).

In regional terms, we continued to invest primarily in Europe and the Americas, whilst significantly increasing expenditures in Asia Pacific compared with the prior year. In Europe, investments were centred on Germany and the UK; in the Asia Pacific region we concentrated on China and Hong Kong.

11 Capex and depreciation, amortisation and impairment losses, 9M

	MAIL		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Group	
	2011	2012	2011 adjusted	2012	2011 adjusted	2012	2011	2012	2011	2012	2011	2012
Capex (€m)	233	191	357	424	74	96	179	215	198	209	**1,041**	**1,135**
Depreciation, amortisation and impairment losses (€m)	235	247	247	300	77	83	209	213	146	147	**914**	**990**
Ratio of capex to depreciation, amortisation and impairment losses	0.99	0.77	1.45	1.41	0.96	1.16	0.86	1.01	1.36	1.42	**1.14**	**1.15**

12 Capex and depreciation, amortisation and impairment losses, Q3

	MAIL		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Group	
	2011	2012	2011 adjusted	2012	2011 adjusted	2012	2011	2012	2011	2012	2011	2012
Capex (€m)	90	98	135	141	38	31	58	70	97	116	**418**	**456**
Depreciation, amortisation and impairment losses (€m)	77	84	79	109	27	28	71	73	49	49	**303**	**343**
Ratio of capex to depreciation, amortisation and impairment losses	1.17	1.17	1.71	1.29	1.41	1.11	0.82	0.96	1.98	2.37	**1.38**	**1.33**

Capital expenditure in the MAIL division amounted to €191 million in the reporting period (previous year: €233 million). We focused mainly on expanding and improving our parcel network. In the prior-year period, we had invested mostly in modernising our mail network (mail sorting systems).

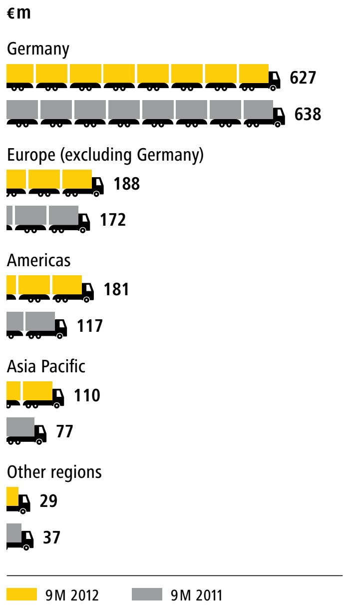
In the EXPRESS division, capex rose to €424 million in the reporting period (previous year: €357 million). We invested mostly in modernising our aircraft fleet. The majority of the investments in aviation related to aircraft and advance payments for aircraft deliveries. We also increased investments in our hubs.

In the GLOBAL FORWARDING, FREIGHT division, capital expenditure rose from €74 million in the prior year to €96 million in the reporting period. Of this figure, €80 million was attributable to the Global Forwarding business unit, where we fitted out and modernised warehouses across all regions and improved IT solutions, including those for the New Forwarding Environment project. In the Freight business unit, we invested €16 million, mainly in real estate as well as in office, operating and IT equipment.

In the SUPPLY CHAIN division, capex amounted to €215 million in the reporting period (previous year: €179 million). A total of €197 million of this related to the Supply Chain business unit, €16 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 were made in a new mega hub in Hong Kong and in customer projects in the Americas and Australia. In the Williams Lea business unit, the majority of expenditure related to IT investments.

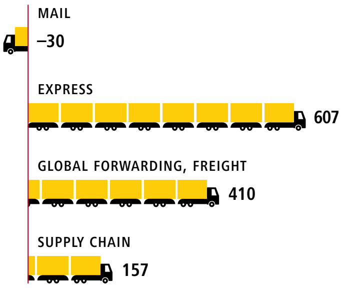
Cross-divisional capital expenditure increased from €198 million in the first nine months of 2011 to €209 million in 2012. Most of the expenses were incurred for the purchase of vehicles and IT equipment.

13 Capex by region



14 Operating cash flow by division, 9M 2012

€m



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Decrease in operating cash flow

Net cash from operating activities amounted to €426 million in the first nine months of 2012, a decrease of €683 million on the prior-year figure. The utilisation of provisions was the main factor reducing net cash from operating activities before changes in working capital, which fell by €258 million to €1,403 million. The cash outflow from changes in working capital increased by €425 million year-on-year. Liabilities and other items fell by €401 million to €–297 million, primarily because trade payables decreased. At €–676 million, the change in receivables and other current assets was up slightly on the prior-year figure (€–639 million).

Net cash used in investing activities was €751 million higher year-on-year, at €1,237 million. Investments in property, plant and equipment were the most significant item in this area, amounting to €1,097 million; these are described under capital expenditure. In addition, the recognition of the required state aid repayment as a non-current financial asset in the balance sheet reduced cash flow from investing activities by €298 million. In the previous year, a cash inflow of €397 million from the change in current financial assets was recorded, primarily as a result of the sale of money market funds.

15 Calculation of free cash flow

€m	9M 2011	9M 2012	Q3 2011	Q3 2012
Net cash from operating activities	**1,109**	**426**	**826**	**568**
Sale of property, plant and equipment and intangible assets	194	149	99	45
Acquisition of property, plant and equipment and intangible assets	–1,070	–1,097	–387	–430
Cash outflow arising from change in property, plant and equipment and intangible assets	**–876**	**–948**	**–288**	**–385**
Disposal of subsidiaries and other business units	59	40	–7	1
Acquisition of subsidiaries and other business units	–70	–56	–35	–21
Cash outflow arising from acquisitions/divestments	**–11**	**–16**	**–42**	**–20**
Interest received	55	36	19	9
Interest paid	–136	–270	–35	–177
Net interest paid	**–81**	**–234**	**–16**	**–168**
Free cash flow	**141**	**–772**	**480**	**–5**

Free cash flow declined from €141 million to €–772 million, mainly because of the fall in net cash from operating activities as well as the higher interest paid.

Net cash used in financing activities fell by €1,147 million in the reporting period to €92 million. Proceeds of €1,262 million from the issuance of non-current financial liabilities are primarily attributable to two bond issues, whereas the main item in the previous year was repayments of non-current financial liabilities. 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 €2,230 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 Sept. 2012
Equity ratio	%	29.2	33.6
Net liquidity (–)/net debt (+)	€m	–938	977
Net interest cover[1]		22.7	7.9
Net gearing	%	–9.1	7.8
FFO to debt[2]	%	32.3	28.2

[1] In the first nine months.
[2] For calculation page 8.

Consolidated total assets decrease

The Group's total assets amounted to €34,544 million as at 30 September 2012, €3,864 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 €21,794 million, €569 million higher than at 31 December 2011. Intangible assets rose from €12,196 million to €12,286 million, mainly due to an increase in goodwill resulting from currency effects. The €76 million rise in property, plant and equipment to €6,569 million is mainly attributable to investments in vehicles and aircraft. Non-current financial assets increased by €311 million year-on-year to €1,040 million, primarily because the required state aid repayment of €298 million was recognised in the balance sheet as restricted cash. Other non-current assets rose by €61 million to €631 million, mainly due to the increase in pension assets. At €1,178 million, deferred tax assets were up €25 million on the figure as at 31 December 2011.

Current assets decreased by €4,433 million to €12,750 million as at the reporting date. Above all, the completion of the sale of all Postbank shares caused current financial assets to decline from €2,498 million to €258 million. The transfer of the remaining Postbank shares to Deutsche Bank also significantly reduced the assets held for sale, from €1,961 million to €21 million. Receivables and other current assets increased by €650 million to €9,739 million, partly due to the termination of a factoring agreement and repurchase of receivables. Cash and cash equivalents declined by €893 million to €2,230 million. The dividend payment for 2011 led to a cash outflow of €846 million. In addition, the transfer of the required state aid repayment to a trust account reduced available cash by €298 million, whilst the additional VAT payment reduced it by €482 million. However, two bond issues made a positive contribution.

At €11,442 million, equity attributable to Deutsche Post AG shareholders was higher than at 31 December 2011 (€11,009 million). Consolidated net profit for the period and positive currency effects increased equity, whilst the dividend payment to our shareholders reduced it.

Current and non-current liabilities declined by 19.6% to €14,635 million. Above all, the completion of the sale of the remaining Postbank shares reduced current financial liabilities by €4,509 million to €1,135 million. By contrast, non-current financial liabilities increased to €2,536 million as at the reporting date, mainly due to two bond issues with a total volume of €1,240 million. Overall financial liabilities were €3,339 million lower than at 31 December 2011, at €3,671 million. Trade payables were reduced by €462 million to €5,706 million. Other current liabilities rose by €270 million to €4,376 million, mainly because of an increase in liabilities to employees. Current and non-current provisions declined from €9,008 million to €8,294 million, in particular because we reassessed and utilised restructuring provisions recognised in previous years. In addition, we utilised provisions in connection with the additional VAT payment.

Net debt of €977 million

As at 30 September 2012, our net debt amounted to €977 million. Our net liquidity of €938 million as at 31 December 2011 was reduced in particular by the dividend payment (€846 million), the prepaid annual contribution to Bundes-Pensions-Service (€530 million), the additional VAT payment (€482 million) and the required state aid repayment that was transferred to a trust account (€298 million). The equity ratio improved by 4.4 percentage points to 33.6%, primarily due to the disposal of Postbank. Net interest cover shows the extent to which net interest obligations are covered by EBIT. This indicator fell from 22.7 to 7.9, mainly because of the interest expense from the additional VAT payment. Net gearing was 7.8% in the first nine months of 2012.

17 Net liquidity (–)/net debt (+)

€m	31 Dec. 2011	30 Sept. 2012
Non-current financial liabilities	1,346	2,522
+ Current financial liabilities	5,588	1,107
= Financial liabilities	6,934	3,629
– Cash and cash equivalents	3,123	2,230
– Current financial assets	2,498	258
– Long-term deposits[1]	56	59
– Positive fair value of non-current financial derivatives[1]	94	105
= Financial assets	5,771	2,652
– Financial liabilities to Williams Lea minority shareholders	36	0
– Mandatory exchangeable bond[2]	2,926	0
– Collateral for the put option[2]	1,298	0
+ Net effect from measurement of Postbank derivatives[3]	2,159	0
= Non-cash adjustments	2,101	0
Net liquidity (–)/net debt (+)	–938	977

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

DIVISIONS

Overview

18 Key figures by operating division

€m	9M 2011 adjusted	9M 2012	+/– %	Q3 2011 adjusted	Q3 2012	+/– %
MAIL						
Revenue	10,120	10,121	0.0	3,341	3,276	–1.9
of which Mail Communication	3,972	3,855	–2.9	1,303	1,245	–4.5
Dialogue Marketing	1,915	1,822	–4.9	627	578	–7.8
Press Services	581	555	–4.5	187	173	–7.5
Value-Added Services	172	172	0.0	57	57	0.0
Parcel Germany	2,207	2,439	10.5	748	798	6.7
Retail Outlets	596	621	4.2	199	207	4.0
Global Mail	1,226	1,216	–0.8	411	403	–1.9
Pension Service	77	78	1.3	29	30	3.4
Consolidation/Other	–626	–637	–1.8	–220	–215	2.3
Profit from operating activities (EBIT)	861	678	–21.3	302	247	–18.2
Return on sales (%)[1]	8.5	6.7	–	9.0	7.5	–
Operating cash flow	437	–30	–	407	–56	–
EXPRESS						
Revenue	8,591	9,436	9.8	2,910	3,172	9.0
of which Europe[2]	3,947	4,132	4.7	1,316	1,354	2.9
Americas	1,398	1,674	19.7	457	588	28.7
Asia Pacific	2,722	3,180	16.8	956	1,089	13.9
MEA (Middle East and Africa)[2]	624	722	15.7	211	240	13.7
Consolidation/Other	–100	–272	<–100	–30	–99	<–100
Profit from operating activities (EBIT)	672	829	23.4	216	231	6.9
Return on sales (%)[1]	7.8	8.8	–	7.4	7.3	–
Operating cash flow	680	607	–10.7	367	332	–9.5
GLOBAL FORWARDING, FREIGHT						
Revenue	11,161	11,677	4.6	3,804	4,018	5.6
of which Global Forwarding	8,187	8,662	5.8	2,806	3,027	7.9
Freight	3,077	3,111	1.1	1,034	1,024	–1.0
Consolidation/Other	–103	–96	6.8	–36	–33	8.3
Profit from operating activities (EBIT)	310	346	11.6	124	122	–1.6
Return on sales (%)[1]	2.8	3.0	–	3.3	3.0	–
Operating cash flow	408	410	0.5	134	246	83.6
SUPPLY CHAIN						
Revenue	9,675	10,607	9.6	3,323	3,670	10.4
of which Supply Chain	8,817	9,609	9.0	2,985	3,325	11.4
Williams Lea	858	1,000	16.6	336	344	2.4
Consolidation/Other	0	–2	–	2	1	–50.0
Profit from operating activities (EBIT)	289	301	4.2	100	109	9.0
Return on sales (%)[1]	3.0	2.8	–	3.0	3.0	–
Operating cash flow	211	157	–25.6	86	217	>100

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

MAIL division

Revenue on par with prior year despite one less working day

At €10,121 million, revenue in the first nine months of 2012 was on par with the prior year (adjusted: €10,120 million), despite the period having one less working day. The previous trend for 2012 of strong growth in the parcel business and moderate declines in the mail business remained intact, although the volume development in the mail business weakened somewhat in the third quarter due to seasonal factors. Positive currency effects amounted to €43 million in the reporting period.

Fewer business customer letters delivered

In the Mail Communication business unit, we delivered fewer letters in the first nine months than in the previous year. Revenue was also slightly below the prior-year figure. Compared with the prior-year quarter, revenue was down 4.5% due 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)	9M 2011	9M 2012	+/– %	Q3 2011	Q3 2012	+/– %
Business customer letters	4,867	4,760	–2.2	1,576	1,517	–3.7
Private customer letters	883	834	–5.5	285	273	–4.2
Total	**5,750**	**5,594**	**–2.7**	**1,861**	**1,790**	**–3.8**

Customers holding back on advertising mail

Traditional mail-order businesses have held back on advertising expenditure since the beginning of the year, which particularly impacts revenue and sales in addressed advertising mail. One less working day in the third quarter also had an impact; revenue and volumes declined during this period more than the annual average. The decline in unaddressed advertising mail was particularly evident at the end of the quarter. In this business unit revenue decreased by 4.9% to €1,822 million (previous year: €1,915 million) during the first nine months.

20 Dialogue Marketing: volumes

mail items (millions)	9M 2011	9M 2012	+/– %	Q3 2011	Q3 2012	+/– %
Addressed advertising mail	4,463	4,262	–4.5	1,424	1,358	–4.6
Unaddressed advertising mail	2,956	3,039	2.8	963	914	–5.1
Total	**7,419**	**7,301**	**–1.6**	**2,387**	**2,272**	**–4.8**

Press services revenue below prior year

Revenue in the Press Services business unit totalled €555 million in the first nine months of 2012, 4.5% below the prior-year figure of €581 million; quarter-on-quarter it was down by 7.5%. The German press services market, the volume of which is described on page 62 of our 2011 Annual Report, continues to decline overall. Newspaper and magazine circulation is falling; item weights are also down slightly.

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Value-added service business stable

Revenue in the Value-Added Services business unit was €172 million in the reporting period, on par with the adjusted prior-year figure.

Parcel business sees sustained strong growth

Revenue in the Parcel Germany business unit reached €2,439 million in the reporting period, improving on the previous year's high figure of €2,207 million by 10.5%. 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. In the third quarter, growth was slightly lower at 6.7% due to one less working day.

21 Parcel Germany: volumes

parcels (millions)	9M 2011 adjusted	9M 2012	+/– %	Q3 2011 adjusted	Q3 2012	+/– %
Business customer parcels[1]	529	591	11.7	180	193	7.2
Private customer parcels	76	80	5.3	25	26	4.0
Total	**605**	**671**	**10.9**	**205**	**219**	**6.8**

[1] Including intragroup sales.

Retail outlet revenue above prior-year level

Revenue generated by our approximately 20,000 retail outlets and sales points amounted to €621 million in the first nine months of 2012, a 4.2% increase over the previous year's level (€596 million).

Revenue in international mail business stabilises

The year-on-year decline in volumes in the Global Mail business unit was primarily the result of the sale of our bulk mail business in the Netherlands and the discontinuation of our domestic business in the UK. We were able to stabilise our operating business. Revenue was €1,216 million in the first nine months, only slightly below the prior year's figure of €1,226 million. We saw encouraging growth in international mail from the Asia Pacific region and from our US business. However, at the same time import volumes to Germany declined slightly.

22 Mail International: volumes

mail items (millions)	9M 2011	9M 2012	+/– %	Q3 2011	Q3 2012	+/– %
Global Mail	2,349	1,385	–41.0	621	455	–26.7

Earnings impacted by additional VAT payment

EBIT for the division was €678 million in the reporting period, significantly below the prior-year figure of €861 million. The figure was impacted by €151 million, due to the additional VAT payment. Return on sales was 6.7%.

Opportunities and risks, page 22

At €–30 million, operating cash flow was also significantly below the previous year's level of €437 million. The primary reason for this was the net outflow of working capital, the termination of a financial factoring agreement as well as the additional VAT payment. Working capital was €–489 million, above the prior-year level (€–690 million).

EXPRESS division

Further revenue growth in express business

Revenue for the division increased by 9.8% in the first nine months of 2012 to €9,436 million (previous year, adjusted: €8,591 million). The figure for the prior year still included revenues of €186 million related to the divested domestic express businesses in China, Canada, Australia and New Zealand. Excluding these divestments and positive currency effects of €449 million, revenue grew by 6.8% in the reporting period, mainly because of the rise in Time Definite International (TDI) shipment volumes.

These changes in the domestic express business also explain the daily revenue and volume developments for the TDD product line shown below.

In the TDI product line, our customers sent 9.1% more shipments per day compared with the previous year and weight per shipment rose by 4.2%. In the Day Definite Domestic (DDD) product line, however, daily shipment volumes declined by 17.3% due to the disposals mentioned above.

We continued to grow in the third quarter as well, despite the volatile economic environment. Daily shipment volumes in the TDI product line increased by 8.7% versus the third quarter of 2011.

23 EXPRESS: revenue by product

€m per day[1]	9M 2011 adjusted	9M 2012	+/– %	Q3 2011 adjusted	Q3 2012	+/– %
Time Definite International (TDI)	28.2	30.5	8.2	28.2	30.0	6.4
Time Definite Domestic (TDD)	5.0	4.7	–6.0	4.8	4.1	–14.6
Day Definite Domestic (DDD)	3.4	2.8	–17.6	2.9	2.7	–6.9

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

24 EXPRESS: volumes by product

thousands of items per day[1]	9M 2011 adjusted	9M 2012	+/– %	Q3 2011 adjusted	Q3 2012	+/– %
Time Definite International (TDI)	530	578	9.1	527	573	8.7
Time Definite Domestic (TDD)	685	737	7.6	666	722	8.4
Day Definite Domestic (DDD)	346	286	–17.3	302	282	–6.6

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

Encouraging rise in volumes in the Europe region

In the Europe region, revenue increased by 4.7% in the reporting period to €4,132 million (previous year, adjusted: €3,947 million). This figure includes positive currency effects of €51 million related mainly to our business activities in Switzerland, the UK, Scandinavia, Russia and Eastern Europe. Excluding these effects, revenue growth was 3.4%. Daily shipment volumes grew by 9.0% in the TDI product line.

Strong growth in the Americas region

Revenue growth in the Americas region has risen each quarter in the current financial year. In the first nine months of 2012, revenue climbed by 19.7% to €1,674 million (previous year: €1,398 million). This figure includes the sale of our domestic express business in Canada in the amount of €97 million and positive currency effects of €148 million. Excluding these effects, the revenue increase was 16.1% in the region due to the positive business trend in the United States as well as significantly higher revenues in Mexico and South America. Daily shipment volumes in the TDI product line rose compared with the prior year. The increase was 8.6% in the Americas region and in the United States it was even higher at 12.7%.

High momentum in the Asia Pacific region continues

The business trend in the Asia Pacific region remains dynamic. Revenue in the reporting period increased by 16.8% to €3,180 million (previous year: €2,722 million). In the prior year, this figure still included revenues related to the divested domestic express businesses in China, New Zealand and Australia in the amount of €89 million. Excluding these disposals and the positive currency effects, which increased to €231 million, revenue growth in the reporting period nonetheless reached 11.6% year-on-year. In the TDI product line, daily shipment volumes grew by 9.7%.

Stable business trend still continues in the MEA region

In the MEA region (Middle East and Africa), revenue rose by 15.7% in the reporting period to €722 million (previous year, adjusted: €624 million). This figure includes positive currency effects of €41 million. Excluding these effects, revenue growth was 9.1%. Daily shipment volumes grew by 7.2% in the TDI product line and by an impressive 16.7% in the TDD product line.

Earnings continue to improve

EBIT for the division increased by 23.4% to €829 million in the first nine months of 2012 (previous year: €672 million). The rise was driven by overall strong revenue growth as well as one-time effects in the second quarter: a portion of the restructuring provisions in the United States was reassessed and reversed, resulting in a positive impact on EBIT of €99 million. Earnings were also positively impacted by deconsolidation income of €44 million from the sale of our domestic businesses in New Zealand and Australia. The additional VAT payment in Germany for past financial years had a negative effect of €30 million on EBIT for the division. Return on sales rose from 7.8% in the previous year to 8.8%.

Opportunities and risks, page 22

In the third quarter, EBIT improved by 6.9% to €231 million; return on sales was at the prior-year level.

Operating cash flow decreased to €607 million in the first nine months of 2012, 10.7% below the prior-year figure of €680 million. This figure was affected in the reporting period by the additional VAT payment in Germany as well as a one-time payment related to early termination of the co-operation agreement with ASTAR Air Cargo in the United States. Even as revenues rise, we continue to pursue our strict working capital management.

GLOBAL FORWARDING, FREIGHT division

Revenue in freight forwarding business grows moderately

In the division, revenue increased in the first nine months of 2012 by 4.6% to €11,677 million (previous year, adjusted: €11,161 million). This figure includes positive currency effects of €440 million. The moderate revenue growth seen in the previous quarters continued in the third quarter. Overall our business grew profitably, although prices remained low and the air freight market was sluggish. Uncertainties persist due to the macroeconomic environment.

In the Global Forwarding business unit, revenue rose by 5.8% to €8,662 million in the reporting period (previous year: €8,187 million). Excluding positive currency effects of €414 million, revenue remained on par with the prior year. Gross profit improved by 9.7% to €1,970 million (previous year: €1,796 million).

The strategic project New Forwarding Environment (NFE) progressed encouragingly. NFE aims at developing a forward-looking operating model based on efficient processes and state-of-the-art IT systems.

Gross profits increase in all business units

In the reporting period, revenue declined slightly year-on-year in the air freight business but grew noticeably in the ocean freight business. Shipping volumes mirrored this development, with air freight volumes decreasing whilst ocean freight volumes increased and outperformed the market. Air freight rates remained nearly unchanged in the third quarter, although fuel prices were up slightly. Continued surplus capacities created opportunities in the short-term spot market. These resulted from the relatively strong increase in passenger plane capacities compared with a relatively weak decrease in cargo plane capacities. Ocean freight rates remained largely stable in the third quarter.

Our air freight volumes were down by 6.0% in the first nine months compared with the previous year, resulting mainly from the decline in demand in the technology sector. Revenue declined by 0.4%; gross profit increased by 6.2%.

Volumes in our ocean freight business in the first nine months were 4.8% higher than in the prior-year period. Some of our customers continue to be driven to shift parts of their business from air freight to the more economical ocean freight option as a result of cost pressure. Revenue rose by 6.3% and gross profit improved by 6.8%.

In our industrial project business (reported as part of Other in table 25), we saw strong growth. The share of Other revenue accounted for by industrial projects increased to 38.4% (previous year: 34.2%). Our gross profit improved again compared with the previous year.

25 Global Forwarding: revenue

€m	9M 2011	9M 2012	+/– %	Q3 2011	Q3 2012	+/– %
Air freight	4,137	4,120	–0.4	1,396	1,406	0.7
Ocean freight	2,649	2,817	6.3	900	1,034	14.9
Other	1,401	1,725	23.1	510	587	15.1
Total	8,187	8,662	5.8	2,806	3,027	7.9

26 Global Forwarding: volumes

thousands		9M 2011	9M 2012	+/– %	Q3 2011	Q3 2012	+/– %
Air freight	tonnes	3,273	3,077	–6.0	1,080	1,039	–3.8
of which exports	tonnes	1,823	1,721	–5.6	611	586	–4.1
Ocean freight	TEUs[1]	2,042	2,139	4.8	708	751	6.1

[1] Twenty-foot equivalent units.

Overland transport business sees slight revenue growth

In the Freight business unit, revenue grew to €3,111 million (previous year, adjusted: €3,077 million) in the first nine months, a slight increase of 1.1%. Growth was seen largely in Germany and Eastern Europe. The business from Standard Forwarding in the United States contributed 1.8% to revenue in the Freight business unit in the reporting period. We acquired the company in June 2011 to develop our overland transport business outside our core market of Europe. Total revenue includes positive currency effects of €27 million. Although the pressure on margins remained, gross profit was €856 million, which exceeded the previous year by 6.6% (previous year: €803 million).

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 increases on the back of high gross profit margins

EBIT in the division improved by 11.6% to €346 million (previous year, adjusted: €310 million) thanks to high gross profit margins and constantly increasing efficiency. Return on sales amounted to 3.0% (previous year: 2.8%).

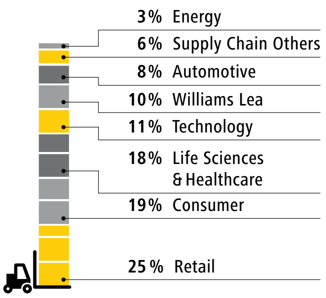
In the third quarter, EBIT was €122 million and on par with the prior-year period.

Net working capital in the first nine months declined. Operating cash flow remained at a constant level at €410 million (previous year: €408 million).

SUPPLY CHAIN division

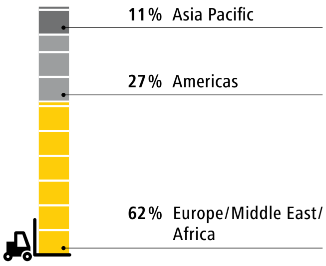
27 SUPPLY CHAIN: revenue by sector, 9M 2012

Total revenue: €10,607 million



28 SUPPLY CHAIN: revenue by region, 9M 2012

Total revenue: €10,607 million



Revenue up 9.6%

In the division, revenue for the first nine months increased by 9.6% from €9,675 million to €10,607 million. This figure includes positive currency effects of €591 million. Revenue was also 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 3.8%, with the Automotive and Life Sciences & Healthcare sectors providing the largest increase. In the third quarter, we saw a rise of 10.4% to €3,670 million (previous year: €3,323 million). Revenue increased 2.7% excluding positive currency effects (€258 million).

In the Supply Chain business unit, revenue grew by 9.0% year-on-year to €9,609 million in the first nine months (previous year: €8,817 million). Excluding the positive currency effects, the ETS disposal and the Eurodifarm acquisition, growth was 4.4%. Revenue from our 18 key global customers increased by 8.3%.

In the Americas region, the Consumer, Life Sciences & Healthcare and Automotive sectors continued to perform well, aided by strong revenue growth in Brazil and Mexico.

In the Asia Pacific region, the largest increase in volumes and new business revenues came from Australia, Thailand and Indonesia.

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

Williams Lea revenue was €1 billion in the first nine months, an increase of 16.6% on the previous year (€858 million). Excluding the Tag acquisition and positive currency effects, revenue declined by 2.2%.

New business of around €810 million concluded

In the Supply Chain business unit, we concluded additional contracts worth around €810 million in annualised revenue with both new and existing customers. Major gains were achieved in the Life Sciences & Healthcare, Consumer, Retail and Technology sectors. The annualised contract renewal rate remained at a constantly high level.

EBIT margin remains stable

EBIT in the division was €301 million in the first nine months (previous year: €289 million). The prior-year figure included a €23 million net gain on the disposal of ETS. The increase in EBIT was driven by improved contract portfolio management along with continued cost efficiencies, which offset margin pressure and start-up costs. The EBIT margin remained stable at 2.8% despite the deterioration in the European economy. The previous year's EBIT margin was 3.0% and included the ETS disposal, without which it was 2.7%. EBIT for the third quarter amounted to €109 million compared with €100 million in the previous year. Operating cash flow was €157 million in the first nine months (previous year: €211 million), with the decrease largely being due to increased working capital from delayed customer payments and higher receivables.

NON-FINANCIAL PERFORMANCE INDICATORS

Employees

Slight increase in number of employees

The average number of employees (full-time equivalents) increased slightly to 426,104 in the first nine months of 2012, a 0.7% increase compared with the previous year's average. Staff numbers rose mainly in the SUPPLY CHAIN division.

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

German cartel office opens investigation

On 5 November 2012 the German cartel office *(Bundeskartellamt)* announced that it had launched an antitrust investigation into the large customer contracts in Deutsche Post's mail business.

OUTLOOK

Overall assessment of expected performance

Full-year earnings forecast confirmed

We assume that the world economy will grow by the lower end of the forecast range of 3% to 3.5% and that world trade will exceed this growth. Given our performance over the first nine months, we are confirming our forecast for financial year 2012: we plan to attain consolidated EBIT of between €2.6 billion and €2.7 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure, which also includes the one-time effects from the additional VAT payment. For the DHL divisions, we are maintaining our earnings forecast at around €2.0 billion. At around €–0.4 billion, the Corporate Center/Other result should be on par with the previous year. Consolidated net profit before effects of the Postbank transaction, the additional VAT payment and 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

In order to sustainably increase the Group's success, 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.

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Opportunities

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

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Additional VAT demand for the period from 1998 to 30 June 2010 paid

As announced in June, the German tax authorities modified certain tax assessments of Deutsche Post AG in the third quarter of 2012. The resulting additional VAT payment amounted to €482 million after deducting outstanding tax refund claims and was made by the end of the third quarter. The decision of the tax authorities resulted from an extensive audit of complex issues pertaining to tax law and related to the period from 1998 to 30 June 2010. The amended law on VAT for postal services took effect the following day. The Group had already recognised provisions for a large part of the additional VAT payment. The tax authorities also reviewed a number of postal services previously regarded as VAT exempt to determine whether they were 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 has accepted the new tax assessments. This concludes all VAT matters in dispute for the period in question, provides legal certainty and avoids drawn-out legal proceedings with uncertain outcomes.

VAT exemption for postal services since 1 July 2010 to be clarified

Since 1 July 2010, as a result of the revision of the relevant tax exemption provisions, the VAT exemption has only applied to specific universal services in Germany that are not subject to individually negotiated agreements or provided on special terms (discounts etc.). Deutsche Post AG does not believe that the legislative amendment fully complies with the applicable specifications of European Community law. Due to the legal uncertainty resulting from the new legislation, Deutsche Post AG is endeavouring to clarify certain key issues with the tax authorities. Although Deutsche Post AG is implementing the required measures to a large extent, the differing legal opinions on the part of Deutsche Post AG and the tax authorities will be judicially clarified.

State aid repaid

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 is calculated by the Federal Republic of Germany. 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.

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Bundesnetzagentur's Infopost decision appealed

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 nine months 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

No material changes to the organisation

No material changes to the Group's organisational structure are planned for the fourth quarter of 2012.

Future economic parameters

Uncertainties impact global economic trend

The European sovereign debt crisis continues to create risks for the global economy. The International Monetary Fund (IMF) estimates global GDP growth will be 3.3% in 2012, provided that the crisis is gradually contained and that taxes in the United States are not increased drastically. Growth of 3.6% is expected in 2013. Global trade is predicted to increase by 3.2% in 2012 and 4.5% in 2013.

In China, growth in 2012 will be considerably weaker than in the past as a result of lower demand for exports (IMF: 7.8%). In 2013, growth is forecast to increase slightly (IMF: 8.2%). The outlook for the Japanese economy is rather moderate. Foreign trade is not expected to have a positive impact on growth. Furthermore, it is likely that any impulses from reconstruction after the earthquake will have levelled off. However, because of the positive performance in the first half of the year, Japan is projected to record solid GDP growth in 2012 (IMF: 2.2%; Postbank Research: 2.7%). This is expected to weaken considerably in 2013 (IMF: 1.2%, Postbank Research: 1.6%).

In the United States, the economy is projected to experience continued but moderate growth. Investments in machinery and equipment are likely to increase alongside investments in construction. Private consumption will grow slowly but steadily. Foreign trade is not expected to have an impact, whilst public spending is likely to slow growth for the time being. GDP growth in 2012 is projected to be moderate (IMF: 2.2%, Postbank Research: 2.3%). The outlook for 2013 remains unclear (IMF: 2.1%; Postbank Research: 2.5%).

The euro zone is showing no signs of economic recovery. The need for fiscal consolidation in particular is likely to put the brakes on the economy. Private consumption is expected to remain weak; gross fixed capital formation is anticipated to further decrease. Although foreign trade will presumably continue to prop up the economy, it will not prevent GDP from declining this year (ECB: –0.4%; Postbank Research: –0.2%). In 2013, the economy in the Economic and Monetary Union is projected to recover slightly (ECB: 0.5%; Postbank Research: 0.9%).

The economic environment in Germany has successively worsened. Impulses provided by foreign trade are likely to recede perceptibly. In addition, the sovereign debt crisis in the EMU is keeping companies from making investments. Private consumption may prove to be a pillar of growth. German GDP in 2012 is likely to perform considerably better than that of the euro zone as a whole (economic research institutes: 0.8%; Postbank Research: 1.0%). The economy is projected to recover slightly in 2013, however GDP growth will only be minimally higher than this year (economic research institutes: 1.0%; Postbank Research: 1.2%).

Revenue and earnings forecast

The global economy is expected to continue to see moderate growth in 2012 with an increase at the lower end of the forecast range 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 nine months, we are confirming our forecast for financial year 2012: we plan to attain consolidated EBIT of between €2.6 billion and €2.7 billion. The MAIL division is likely to contribute between €1.0 billion and €1.1 billion to this figure, which also includes the one-time effects from the additional VAT payment. For the DHL divisions, we are maintaining our earnings forecast at around €2.0 billion. 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 a maximum of €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 of the Postbank transaction, the additional VAT payment and 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.

Projected financial position

Creditworthiness of the Group stabilised

As expected, our "FFO to debt" performance metric was weakened during the reporting period by the outflow of funds necessary to make the repayment of state aid and the additional VAT payment. However, due to the earnings development anticipated for 2012, we expect this ratio 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

To repay the bond issued by Deutsche Post Finance B.V. in the amount of €0.7 billion, which fell due in October 2012, we use part of the proceeds generated from the issue of two bonds on 18 June 2012. Repayment of the bond has no impact on net debt since our cash funds decrease to the same extent as our financial liabilities.

Moreover, we expect our operating liquidity situation to improve given that our business generally performs well in the fourth quarter. By contrast, a temporary deterioration in our liquidity situation is anticipated at the start of 2013 due to the prepayment to Bundes-Pensions-Service für Post und Telekommunikation.

Investments to increase

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

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

29 INCOME STATEMENT

1 January to 30 September

€m	9M 2011 adjusted[1]	9M 2012	Q3 2011 adjusted[1]	Q3 2012
Revenue	38,703	40,935	13,093	13,839
Other operating income	1,317	1,550	436	411
Total operating income	40,020	42,485	13,529	14,250
Materials expense	−22,236	−23,536	−7,597	−8,048
Staff costs	−12,301	−13,121	−4,016	−4,334
Depreciation, amortisation and impairment losses	−914	−990	−303	−343
Other operating expenses	−2,732	−3,000	−967	−921
Total operating expenses	−38,183	−40,647	−12,883	−13,646
Profit from operating activities (EBIT)	**1,837**	**1,838**	**646**	**604**
Net income from associates	58	0	0	0
Other financial income	425	637	247	26
Other finance costs	−863	−863	−323	−122
Foreign currency result	−31	−38	−16	−2
Net other finance costs	−469	−264	−92	−98
Net finance costs	**−411**	**−264**	**−92**	**−98**
Profit before income taxes	**1,426**	**1,574**	**554**	**506**
Income taxes	−356	−378	−138	−90
Consolidated net profit for the period	**1,070**	**1,196**	**416**	**416**
attributable to Deutsche Post AG shareholders	988	1,116	385	382
attributable to non-controlling interests	82	80	31	34
Basic earnings per share (€)	**0.82**	**0.92**	**0.32**	**0.31**
Diluted earnings per share (€)	**0.82**	**0.92**	**0.32**	**0.31**

[1] Note 4.

30 STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 September

€m	9M 2011	9M 2012	Q3 2011	Q3 2012
Consolidated net profit for the period	**1,070**	**1,196**	**416**	**416**
Currency translation reserve				
Changes from unrealised gains and losses	−60	202	267	−8
Changes from realised gains and losses	−26	2	−1	0
Other changes in retained earnings				
Changes from unrealised gains and losses	1	1	0	0
Changes from realised gains and losses	0	0	0	0
Hedging reserve in accordance with IAS 39				
Changes from unrealised gains and losses	26	−69	11	−18
Changes from realised gains and losses	0	47	2	24
Revaluation reserve in accordance with IAS 39				
Changes from unrealised gains and losses	−6	−17	5	−7
Changes from realised gains and losses	0	0	0	0
Revaluation reserve in accordance with IFRS 3				
Changes from unrealised gains and losses	−1	−1	0	0
Changes from realised gains and losses	0	0	0	0
Income taxes relating to components of other comprehensive income	−6	10	−3	0
Share of other comprehensive income of associates (after tax)	10	−37	0	0
Other comprehensive income (after tax)	**−62**	**138**	**281**	**−9**
Total comprehensive income	**1,008**	**1,334**	**697**	**407**
attributable to Deutsche Post AG shareholders	933	1,252	661	377
attributable to non-controlling interests	75	82	36	30

31 BALANCE SHEET

€m	31 Dec. 2011	30 Sept. 2012
ASSETS		
Intangible assets	12,196	12,286
Property, plant and equipment	6,493	6,569
Investment property	40	44
Investments in associates	44	46
Non-current financial assets	729	1,040
Other non-current assets	570	631
Deferred tax assets	1,153	1,178
Non-current assets	**21,225**	**21,794**
Inventories	273	283
Income tax assets	239	219
Receivables and other current assets	9,089	9,739
Current financial assets	2,498	258
Cash and cash equivalents	3,123	2,230
Assets held for sale	1,961	21
Current assets	**17,183**	**12,750**
Total ASSETS	**38,408**	**34,544**
EQUITY AND LIABILITIES		
Issued capital	1,209	1,209
Other reserves	1,714	1,852
Retained earnings	8,086	8,381
Equity attributable to Deutsche Post AG shareholders	11,009	11,442
Non-controlling interests	190	173
Equity	**11,199**	**11,615**
Provisions for pensions and similar obligations	4,445	4,440
Deferred tax liabilities	255	235
Other non-current provisions	2,174	1,984
Non-current provisions	6,874	6,659
Non-current financial liabilities	1,366	2,536
Other non-current liabilities	347	285
Non-current liabilities	1,713	2,821
Non-current provisions and liabilities	**8,587**	**9,480**
Current provisions	2,134	1,635
Current financial liabilities	5,644	1,135
Trade payables	6,168	5,706
Income tax liabilities	570	597
Other current liabilities	4,106	4,376
Liabilities associated with assets held for sale	0	0
Current liabilities	16,488	11,814
Current provisions and liabilities	**18,622**	**13,449**
Total EQUITY AND LIABILITIES	**38,408**	**34,544**

32 CASH FLOW STATEMENT

1 January to 30 September

€m	9M 2011	9M 2012	Q3 2011	Q3 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	988	1,116	385	382
Consolidated net profit for the period attributable to non-controlling interests	82	80	31	34
Income taxes	356	378	138	90
Net other finance costs	469	264	92	98
Net income from associates	−58	0	0	0
Profit from operating activities (EBIT)	1,837	1,838	646	604
Depreciation, amortisation and impairment losses	914	990	303	343
Net income from disposal of non-current assets	−68	−58	−20	−3
Non-cash income and expense	23	−6	12	−2
Change in provisions	−673	−945	−189	−171
Change in other non-current assets and liabilities	−46	−47	7	3
Income taxes paid	−326	−369	−124	−142
Net cash from operating activities before changes in working capital	**1,661**	**1,403**	**635**	**632**
Changes in working capital				
Inventories	−17	−4	−4	14
Receivables and other current assets	−639	−676	−59	310
Liabilities and other items	104	−297	254	−388
Net cash from operating activities	**1,109**	**426**	**826**	**568**
Subsidiaries and other business units	59	40	−7	1
Property, plant and equipment and intangible assets	194	149	99	45
Other non-current financial assets	16	28	5	2
Proceeds from disposal of non-current assets	269	217	97	48
Subsidiaries and other business units	−70	−56	−35	−21
Property, plant and equipment and intangible assets	−1,070	−1,097	−387	−430
Other non-current financial assets	−67	−326	−54	−1
Cash paid to acquire non-current assets	−1,207	−1,479	−476	−452
Interest received	55	36	19	9
Dividend received	0	0	0	0
Current financial assets	397	−11	202	−11
Net cash used in investing activities	**−486**	**−1,237**	**−158**	**−406**
Proceeds from issuance of non-current financial liabilities	13	1,262	6	15
Repayments of non-current financial liabilities	−168	−57	−27	−27
Change in current financial liabilities	−41	−34	26	−8
Other financing activities	−31	−2	−5	−2
Proceeds from transactions with non-controlling interests and venturers	0	11	0	1
Cash paid for transactions with non-controlling interests	−1	−60	−1	0
Dividend paid to Deutsche Post AG shareholders	−786	−846	0	0
Dividend paid to non-controlling interest holders	−68	−70	−9	−63
Purchase of treasury shares	−21	−26	0	0
Interest paid	−136	−270	−35	−177
Net cash used in financing activities	**−1,239**	**−92**	**−45**	**−261**
Net change in cash and cash equivalents	−616	−903	623	−99
Effect of changes in exchange rates on cash and cash equivalents	−20	10	28	−11
Changes in cash and cash equivalents associated with assets held for sale	0	0	3	0
Changes in cash and cash equivalents due to changes in consolidated group	0	0	0	0
Cash and cash equivalents at beginning of reporting period	3,415	3,123	2,125	2,340
Cash and cash equivalents at end of reporting period	**2,779**	**2,230**	**2,779**	**2,230**

33 STATEMENT OF CHANGES IN EQUITY

1 January to 30 September

€m	Issued capital	Capital reserves	Other reserves: IAS 39 revaluation reserve[1]	Other reserves: IAS 39 hedging reserve[1]	Other reserves: IFRS 3 revaluation reserve	Other reserves: Currency translation reserve	Retained earnings	Equity attributable to Deutsche Post AG shareholders	Non-controlling interests	Total equity
Balance at 1 January 2011	1,209	2,158	86	−33	6	−682	7,767	10,511	185	10,696
Capital transactions with owner										
Dividend	0	0	0	0	0	0	−786	−786	−68	−854
Transactions with non-controlling interests	0	0	0	0	0	0	−1	−1	0	−1
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	3	3
Purchase of treasury shares	−2	0	0	0	0	0	−20	−22	0	−22
Share Matching Scheme (issuance)	0	27	0	0	0	0	0	27	0	27
Share Matching Scheme (exercise)	2	−22	0	0	0	0	20	0	0	0
								−782	**−65**	**−847**
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	988	988	82	1,070
Currency translation differences	0	0	0	0	0	−82	0	−82	−7	−89
Other changes	0	0	9	18	−1	0	1	27	0	27
								933	**75**	**1,008**
Balance at 30 September 2011	**1,209**	**2,163**	**95**	**−15**	**5**	**−764**	**7,969**	**10,662**	**195**	**10,857**
Balance at 1 January 2012	1,209	2,170	90	−34	5	−517	8,086	11,009	190	11,199
Capital transactions with owner										
Dividend	0	0	0	0	0	0	−846	−846	−74	−920
Transactions with non-controlling interests	0	0	0	0	0	−3	26	23	−22	1
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	−3	−3
Purchase of treasury shares	−2	0	0	0	0	0	−24	−26	0	−26
Share Matching Scheme (issuance)	0	30	0	0	0	0	0	30	0	30
Share Matching Scheme (exercise)	2	−24	0	0	0	0	22	0	0	0
								−819	**−99**	**−918**
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	1,116	1,116	80	1,196
Currency translation differences	0	0	0	0	0	246	0	246	2	248
Other changes	0	0	−96	−14	−1	0	1	−110	0	−110
								1,252	**82**	**1,334**
Balance at 30 September 2012	**1,209**	**2,176**	**−6**	**−48**	**4**	**−274**	**8,381**	**11,442**	**173**	**11,615**

[1] The IAS 39 hedging reserve and IAS 39 revaluation reserve previously presented together in the IAS 39 reserves column are now shown separately to increase transparency.

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 September 2012 and have been reviewed.

BASIS OF PREPARATION

1 Basis of accounting

The accompanying condensed consolidated interim financial statements as at 30 September 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. The tax rate for financial year 2012 changed from 27% to 24%, due to changes in estimates.

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. It 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 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 Sept. 2012
Number of fully consolidated companies (subsidiaries)		
German	76	84
Foreign	754	748
Number of proportionately consolidated joint ventures		
German	1	1
Foreign	13	4
Number of equity-accounted companies (associates)[1]		
German	31	1
Foreign	28	8

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

Acquisitions in the period up to 30 September 2012

In the period up to 30 September 2012, Deutsche Post DHL acquired companies that did not materially affect the Group's net assets, financial position and results of operations, either individually or in the aggregate. These insignificant acquisitions are as follows:

Acquisitions, 2012

Name	Country	Segment	Equity interest in %	Date of acquisition
Tag Belgium, Brussels (formerly Dentsu Brussels SA)	Belgium	SUPPLY CHAIN	100	1 February 2012
intelliAd Media GmbH, Munich	Germany	MAIL	100	9 July 2012
2 Sisters Food Group (2SFG), Heathrow	United Kingdom	SUPPLY CHAIN	Asset deal	27 July 2012

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

intelliAd Media is a bid-management technology supplier active in the area of search engine advertising. 2SFG is active in the field of airline catering.

Insignificant acquisitions, 2012

€m 1 January to 30 September	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets	4	–	4
Current assets	4	–	4
Cash and cash equivalents	3	–	3
	11	**–**	**11**
EQUITY AND LIABILITIES			
Current liabilities and provisions	5	–	5
	5	**–**	**5**
Net assets			**6**

The calculation of goodwill is presented in the following table:

Goodwill, 2012

€m	Fair value
Cost	26
Less net assets	6
Negative goodwill	**–2**
Goodwill	**22**

Purchase price allocation for Tag Belgium 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.

Variable purchase prices, which are presented in the following table, were agreed for the acquisitions in financial year 2012:

Contingent consideration

Basis	Period for financial years from/to	Range of outcomes from	Fair value of payment obligation
Revenue and sales margin	2012 to 2014	€0 to €9 million	€4 million

€22 million was expended on purchasing companies in financial year 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 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
Tag EquityCo Limited, Grand Cayman	Cayman Islands	SUPPLY CHAIN	100	11 July 2011
LifeConEx LLC, Plantation	USA	GLOBAL FORWARDING, FREIGHT	100	29 July 2011

In the middle of July 2011, Deutsche Post DHL acquired Tag EquityCo Limited, Cayman Islands, together with its subsidiaries. Tag Equity is an international provider of marketing execution and production services.

Tag Equity

€m	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets	13	–	**13**
Customer relationships	–	47	**47**
Brand name	–	4	**4**
Software	–	11	**11**
Current assets	54	–	**54**
Cash and cash equivalents	5	–	**5**
	72	**62**	**134**
EQUITY AND LIABILITIES			
Non-current liabilities and provisions	–	–	**–**
Deferred tax liabilities	–	16	**16**
Current liabilities and provisions	102	–	**102**
	102	**16**	**118**
Net assets			**16**

The customer relationships will be amortised over 20 years using the straight-line method, whilst the software will be amortised over five years. The brand name has an indefinite useful life.

Goodwill of Tag Equity

€m	Fair value
Cost	91
Less net assets	16
Goodwill	**75**

The transaction costs for this acquisition amounted to €6 million. In addition, shareholder loans of €33 million were repaid.

The insignificant acquisitions in the period up to 30 September 2011 are presented as follows: Adcloud is a specialised provider of internet advertising space marketing and placement services. Eurodifarm is a specialist in the temperature-controlled distribution of pharmaceutical and diagnostic products. Standard Forwarding, a US company in the forwarding business, was acquired in order to expand capacity in the Freight business unit. Deutsche Post DHL acquired all of the shares of its LifeConEx LLC, USA, joint venture previously held by LCAG USA Inc., USA. The company provides end-to-end cold chain logistics services for the life sciences industry. The change in the method of consolidation resulted in a gain of €1.3 million, which is reported in other operating income.

Insignificant acquisitions, 2011

€m 1 January to 30 September	Carrying amount	Adjustments	Fair value
ASSETS			
Non-current assets	9	–	**9**
Current assets	25	–	**25**
Cash and cash equivalents	6	–	**6**
	40	**–**	**40**
EQUITY AND LIABILITIES			
Non-current liabilities and provisions	3	–	**3**
Current liabilities and provisions	34	–	**34**
	37	**–**	**37**
Net assets			**3**

Goodwill of insignificant companies, 2011

€m	Fair value
Cost	62
Less net assets	3
Plus effects from change in method of consolidation	1
Goodwill	**60**

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	Range of outcomes from	Fair value of payment obligation
Revenue and gross income[1]	2011 to 2013	€0 to €2 million	€2 million
EBITDA	2011 and 2012	unlimited	€1 million
Revenue and EBITDA	2011 to 2013	€0 to €3 million	€2 million

[1] Both the range and the fair value changed due to amended agreements and earnings forecasts.

€81 million was expended on purchasing subsidiaries in the period up to 30 September 2011 and €8 million for subsidiaries acquired in previous years. 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

At the end of October 2012, Deutsche Post DHL acquired an additional 48% of the shares in All you need GmbH, Berlin, for €3 million. As the shares are intended to be resold, no further information has been provided.

Disposal and deconsolidation effects in the period up to 30 September 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		
1 January to 30 September	Exel Transportation Services	DHL Express Canada	Other	Total	DHL Oman	ECL, PDG	Total
Non-current assets	0	11	2	13	0	38	38
Current assets	0	2	0	2	8	19	27
Assets held for sale[1]	113	0	18	131	0	0	0
Cash and cash equivalents	0	0	10	10	1	9	10
ASSETS	113	13	30	156	9	66	75
Non-current liabilities and provisions	0	0	0	0	0	24	24
Current liabilities and provisions	0	5	11	16	6	41	47
Liabilities associated with assets held for sale[1]	62	0	11	73	0	0	0
EQUITY AND LIABILITIES	62	5	22	89	6	65	71
Net assets	51	8	8	67	3	1	4
Total consideration received	55	10	4	69	1	49	50
Income (+)/expenses (–) from the currency translation reserve	24	1	0	25	0	–4	–4
Non-controlling interests	0	0	3	3	2	0	2
Deconsolidation gain (+)/loss (–)	28	3	–1	30	0	44	44

[1] 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. The sale of four Chinese companies, of assets held by the Australian company Western Australia and of Northern Kope Parcel Express, Australia, as well as of a portion of the transport and warehousing business owned by DHL Freight Netherlands B.V., the Netherlands, is presented in the Other column.

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 Deutsche Postbank shares, 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 period up to 30 September 2012 are as follows:

Effects of the disposal of Deutsche Postbank AG

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

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

Other effects of the Postbank sale

€m	9M 2011	9M 2012
Interest expense on exchangeable bond	–97	–20
Interest expense on cash collateral	–37	–8
Net gain/loss on subsequent measurement of the forward	37	–228
Net gain/loss on measurements of the option (tranche III)	16	–99
Impairment loss (–) on measurement of shares before reclassification under IFRS 5	–63	0
Impairment loss (–) on shares under IFRS 5	–21	0
Total	**–165**	**–355**

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 calculated by the Federal Republic of Germany. The payment made was reported solely in the non-current assets item of the balance sheet; the earnings position remained unaffected. Detailed information regarding the state aid proceedings can be found in the 2011 Annual Report, Notes 51 and 57.

Additional VAT payment

As announced in June 2012, the German tax authorities modified Deutsche Post AG's tax assessments in the third quarter of 2012. 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. The additional VAT payment amounted to €482 million after deducting outstanding tax refund claims and was made by the end of the third quarter. A large part of the additional payment amount relates to tax matters for which the Group had in some cases already recognised provisions. As a result, the impact on EBIT up to 30 September 2012 amounts to €–181 million, 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 the middle of 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 27 June 2022, respectively.

4 Adjustment of prior-period amounts

Income statement

€m	9M 2011	Adjustments	9M 2011 adjusted
Revenue	38,806	–103	**38,703**
Materials expense	–22,339	103	**–22,236**

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	9M 2011	9M 2012
Income from the reversal of provisions	186	297
Income from currency translation differences	127	159
Insurance income	124	131
Income from fees and reimbursements	104	109
Rental and lease income	125	108
Gains on disposal of non-current assets	106	85
Income from the remeasurement of liabilities	44	85
Commission income	65	82
Income from work performed and capitalised	73	71
Reversals of impairment losses on receivables and other assets	39	59
Income from prior-period billings	40	28
Income from loss compensation	16	18
Income from the derecognition of liabilities	20	11
Recoveries on receivables previously written off	15	10
Income from derivatives	9	10
Subsidies	6	6
Miscellaneous	218	281
Total	**1,317**	**1,550**

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	9M 2011	9M 2012
Other business taxes	222	469
Travel and training costs	246	255
Cost of purchased cleaning, transport and security services	212	234
Expenses for advertising and public relations	242	223
Insurance costs	147	183
Warranty expenses, refunds and compensation payments	186	176
Telecommunication costs	175	169
Expenses from currency translation differences	130	161
Consulting costs (including tax advice)	131	142
Write-downs of current assets	129	139
Office supplies	124	130
Entertainment and corporate hospitality expenses	101	104
Services provided by the Federal Posts and Telecommunications Agency	88	60
Voluntary social benefits	62	60
Contributions and fees	49	53
Legal costs	45	51
Commissions paid	45	50
Expenses from derivatives	21	42
Monetary transaction costs	23	31
Losses on disposal of assets	39	29
Audit costs	21	22
Prior-period other operating expenses	19	20
Donations	15	17
Additions to provisions	3	3
Miscellaneous	257	177
Total	**2,732**	**3,000**

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 €76 million year-on-year, from €914 million to €990 million. This item includes impairment losses of €17 million (previous year: €12 million), which are attributable to the segments as follows:

Impairment losses

€m	9M 2011	9M 2012
EXPRESS		
Property, plant and equipment	4	17
SUPPLY CHAIN		
Property, plant and equipment	8	0
Impairment losses	**12**	**17**

The impairment losses result mainly from changes to the useful lives of 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 €264 million (previous year: €469 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 additional VAT payment; Note 3.

10 Earnings per share

Basic earnings per share in the period under review were €0.92.

Basic earnings per share

		9M 2011	9M 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	988	1,116
Weighted average number of shares outstanding	shares	1,208,832,541	1,208,849,207
Basic earnings per share	€	**0.82**	**0.92**

Diluted earnings per share in the reporting period were €0.92. Executives were entitled to 6,256,885 rights to shares as at the reporting date.

Diluted earnings per share

		9M 2011	9M 2012
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	988	1,116
Weighted average number of shares outstanding	shares	1,208,832,541	1,208,849,207
Potentially dilutive shares	shares	1,253,264	2,925,331
Weighted average number of shares for diluted earnings	shares	1,210,085,805	1,211,774,538
Diluted earnings per share	€	**0.82**	**0.92**

BALANCE SHEET DISCLOSURES

11 Intangible assets and property, plant and equipment

Investments in intangible assets and property, plant and equipment amounted to €1,135 million in the period up to 30 September 2012 (previous year: €1,041 million). Of this figure, €219 million (previous year: €151 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 Sept. 2011	30 Sept. 2012
Property, plant and equipment		
Land and buildings (incl. leasehold improvements)	30	50
Technical equipment and machinery	136	72
Transport equipment	189	173
Aircraft	33	52
IT equipment	49	57
Other operating and office equipment	42	39
Advance payments and assets under development	411	473
Total	**890**	**916**

Advance payments and assets under development relate mainly to advance payments for aircraft deliveries.

Goodwill changed as follows in the reporting period:

Change in goodwill

€m	2011	2012
Cost		
Balance at 1 January	11,759	12,074
Additions to consolidated group	136	22
Additions	4	0
Disposals	–34	–29
Currency translation differences	209	99
Balance at 31 December/30 September	**12,074**	**12,166**
Impairment losses		
Balance at 1 January	1,093	1,101
Disposals	–7	–3
Currency translation differences	15	21
Balance at 31 December/30 September	**1,101**	**1,119**
Carrying amount at 31 December/30 September	**10,973**	**11,047**

12 Investments in associates

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

Investments in associates

€m	2011	2012
Balance at 1 January	1,847	44
Additions	0	2
Changes in Group's share of equity		
Changes recognised in profit or loss	60	0
Profit distributions	0	0
Changes recognised in other comprehensive income	10	0
Impairment losses	–72	0
Elimination of intercompany profits and losses	0	0
Reclassified to current assets	–1,801	0
Carrying amount at 31 December/30 September	**44**	**46**

The additions relate mainly to the companies All you need GmbH, Berlin, and DHL Oman; Note 2.

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

€m	Assets		Liabilities	
	31 Dec. 2011	30 Sept. 2012	31 Dec. 2011	30 Sept. 2012
Deutsche Post AG – real estate (Corporate Center/Other)	21	16	0	0
US Express Aviation, USA – aircraft (EXPRESS segment)	4	2	0	0
Investment in Deutsche Postbank AG (Corporate Center/Other)	1,916	0	0	0
Deutsche Post Immobilienentwicklung Grundstücksgesellschaft mbH & Co. Logistikzentren KG, Germany – real estate (Corporate Center/Other)	15	0	0	0
Other	5	3	0	0
Assets held for sale and liabilities associated with assets held for sale	**1,961**	**21**	**0**	**0**

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.

Since the middle of October 2012, Deutsche Post DHL has intended to sell the domestic express business in Romania. The transaction is expected to be completed in the first quarter of 2013.

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
Balance at 31 December/30 September	**1,209,015,874**	**1,209,015,874**

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	1,116
Transactions with non-controlling interests	−59	26
Miscellaneous other changes	1	−1
Balance at 31 December/30 September	8,086	8,381

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		MAIL		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Group
1 January to 30 September	2011[1]	2012	2011[1]	2012	2011[1]	2012	2011	2012	2011	2012	2011	2012	2011[1]	2012
External revenue	10,050	10,051	8,312	9,139	10,689	11,180	9,600	10,527	52	38	0	0	38,703	40,935
Internal revenue	70	70	279	297	472	497	75	80	874	849	−1,770	−1,793	0	0
Total revenue	10,120	10,121	8,591	9,436	11,161	11,677	9,675	10,607	926	887	−1,770	−1,793	38,703	40,935
Profit/loss from operating activities (EBIT)	861	678	672	829	310	346	289	301	−295	−315	0	−1	1,837	1,838
Net income from associates	0	0	0	0	0	0	0	0	58	0	0	0	58	0
Segment assets[2]	4,325	4,549	8,587	8,641	8,007	8,240	6,314	6,498	3,167	1,291	−254	−222	30,146	28,997
Investments in associates[2]	0	2	28	28	16	16	0	0	0	0	0	0	44	46
Segment liabilities[2,3]	2,919	2,493	2,684	2,432	2,959	3,109	2,924	2,835	820	762	−186	−121	12,120	11,510
Capex	233	191	357	424	74	96	179	215	198	209	0	0	1,041	1,135
Depreciation and amortisation	235	247	243	283	77	83	201	213	146	147	0	0	902	973
Impairment losses	0	0	4	17	0	0	8	0	0	0	0	0	12	17
Total depreciation, amortisation and impairment losses	235	247	247	300	77	83	209	213	146	147	0	0	914	990
Other non-cash expenses	152	235	139	146	55	65	62	79	35	36	0	0	443	561
Employees[4]	147,434	145,772	85,496	84,301	43,451	43,553	133,615	139,540	13,352	12,938	0	0	423,348	426,104
Q3														
External revenue	3,317	3,252	2,816	3,074	3,641	3,860	3,295	3,641	24	12	0	0	13,093	13,839
Internal revenue	24	24	94	98	163	158	28	29	267	287	−576	−596	0	0
Total revenue	3,341	3,276	2,910	3,172	3,804	4,018	3,323	3,670	291	299	−576	−596	13,093	13,839
Profit/loss from operating activities (EBIT)	302	247	216	231	124	122	100	109	−96	−104	0	−1	646	604
Net income from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	90	98	135	141	38	31	58	70	97	116	0	0	418	456
Depreciation and amortisation	77	84	80	98	27	28	68	73	49	49	0	0	301	332
Impairment losses	0	0	−1	11	0	0	3	0	0	0	0	0	2	11
Total depreciation, amortisation and impairment losses	77	84	79	109	27	28	71	73	49	49	0	0	303	343
Other non-cash expenses	44	112	42	61	17	27	18	31	8	11	0	0	129	242

1 Prior-year amounts adjusted.
2 As at 31 December 2011 and 30 September 2012.
3 Including non-interest-bearing provisions.
4 Average FTEs.

Information about geographical areas

€m	Germany		Europe (excluding Germany)		Americas		Asia Pacific		Other regions		Group	
1 January to 30 September	2011[1]	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011[1]	2012
External revenue	12,197	12,296	12,897	13,186	6,466	7,278	5,544	6,384	1,599	1,791	**38,703**	**40,935**
Non-current assets[2]	4,465	4,621	7,313	7,314	3,376	3,420	3,361	3,333	329	321	**18,844**	**19,009**
Capex	638	627	172	188	117	181	77	110	37	29	**1,041**	**1,135**
Q 3												
External revenue	4,034	4,034	4,363	4,437	2,188	2,538	1,961	2,242	547	588	**13,093**	**13,839**
Capex	262	292	66	58	41	64	37	33	12	9	**418**	**456**

[1] Prior-year amounts adjusted.
[2] As at 31 December 2011 and 30 September 2012.

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 adjustment was made to the segment reporting as at 30 September 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.

Reconciliation

€m	9M 2011	9M 2012
Total income of reportable segments	2,132	2,154
Corporate Center/Other	−295	−315
Reconciliation to Group/consolidation	0	−1
Profit from operating activities (EBIT)	**1,837**	**1,838**
Net finance costs	**−411**	**−264**
Profit before income taxes	**1,426**	**1,574**
Income taxes	−356	−378
Consolidated net profit for the period	**1,070**	**1,196**

OTHER DISCLOSURES

17 Share-based payment

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

Share Matching Scheme

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

The sum of €30 million (31 December 2011: €33 million) was transferred to the capital reserves in the period up to 30 September 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	3
2011 tranche	13	18
2012 tranche	0	8
Exercise of rights under Share Matching Scheme		
2010 tranche	–21	0
2011 tranche	0	–24
Balance at 31 December/30 September	**2,170**	**2,176**

The SAR provisions for the other share-based payment systems for executives amounted to €158 million as at 30 September 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 €645 million in comparison with 31 December 2011, to €2,122 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

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. The administrator announced in September that the company would be wound up. No significant effects arose for Deutsche Post DHL in the period up to 30 September 2012.

KfW Bankengruppe (KfW) placed a 5% stake in Deutsche Post AG on the market at the beginning of September, generating proceeds of approximately €924 million. This placement reduced the interest in Deutsche Post AG's share capital held by KfW to 25.5%; the remaining 74.5% of the shares are in free float. KfW holds the shares in trust for the federal government.

21 Events after the reporting date

On 5 November 2012 the German cartel office *(Bundeskartellamt)* announced that it had launched an antitrust investigation into the large customer contracts in Deutsche Post's mail business. There were no other significant events after the reporting date.

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, 7 November 2012

Deutsche Post AG
The Board of Management

Dr Frank Appel

Ken Allen

Roger Crook

Bruce Edwards

Jürgen Gerdes

Lawrence Rosen

Angela Titzrath

REVIEW REPORT

To Deutsche Post AG

We have reviewed the condensed consolidated interim financial statements – comprising the income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Post AG, Bonn, for the period from 1 January to 30 September 2012 which are part of the quarterly financial report pursuant to section 37x (3) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, 7 November 2012

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

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

GRAPHS AND TABLES

CONTACTS

Contacts

Investor Relations

Tel.: +49 (0) 228 182-6 36 36
Fax: +49 (0) 228 182-6 31 99
E-mail: ir@deutschepost.de

Press office

Tel.: +49 (0) 228 182-99 44
Fax: +49 (0) 228 182-98 80
E-mail: pressestelle@deutschepost.de

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

Carbon neutral printing with Deutsche Post

Financial calendar[1]

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

Investor events[1]

14 November 2012	UBS European Conference (London)
21 November 2012	Mainfirst German Growth Conference (Paris)
22 November 2012	HSBC Conference (Vienna)
27 November 2012	Capital Markets Tutorial Workshop DHL SUPPLY CHAIN (London)
29 November 2012	Capital Markets Tutorial Workshop DHL SUPPLY CHAIN (Frankfurt am Main)
14–16 January 2013	Commerzbank German Investment Seminar (New York)

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

Deutsche Post AG
Headquarters
Investor Relations
53250 Bonn
Germany

dp-dhl.com