INTERIM REPORT 2

WHAT WE ACHIEVED IN THE FIRST HALF OF 2014

Deutsche Post DHL increased revenue slightly despite the fact that our business continued to suffer from substantial currency effects. Earnings growth was more significant thanks to an improved margin, with EBIT increasing by 3.8%. The German parcel business and the international express business continue to achieve dynamic growth. We also generated a solid earnings improvement in the SUPPLY CHAIN division. By contrast, business was under pressure in the GLOBAL FORWARDING, FREIGHT division, particularly in air freight.

WHAT WE INTEND TO ACHIEVE BY THE END OF THE YEAR 2014

We continue to expect consolidated EBIT to reach between €2.9 billion and €3.1 billion in financial year 2014. The Post - eCommerce - Parcel division is now likely to contribute around €1.3 billion to this figure. Compared with the previous year, we expect an improvement in EBIT to between €2.0 billion and €2.2 billion in the DHL divisions. Our EBIT after asset charge and operating cash flow performance metrics are expected to see further positive development in line with the respective EBIT trend.

Commemorative stamp
The stamp bearing the motif "Germany Football World Cup Champions 2014" was released on 17 July 2014 – four days after the German national team secured the title.

EVENT

INTERIM REPORT JANUARY TO SEPTEMBER 2014
12 November 2014

JANUARY TO JUNE 2014

Deutsche Post DHL

01 SELECTED KEY FIGURES

		H1 2013 adjusted[1]	H1 2014	+/–%	Q2 2013 adjusted[1]	Q2 2014	+/–%
Revenue	€m	27,008	27,264	0.9	13,605	13,695	0.7
Profit from operating activities (EBIT)	€m	1,329	1,380	3.8	619	654	5.7
Return on sales[2]	%	4.9	5.1	–	4.5	4.8	–
Consolidated net profit for the period[3]	€m	920	963	4.7	422	461	9.2
Operating cash flow	€m	617	566	–8.3	496	483	–2.6
Net debt[4]	€m	1,499	2,944	96.4	–	–	–
Earnings per share[5]	€	0.76	0.80	5.3	0.35	0.38	8.6
Number of employees[6]		435,218	437,885	0.6	–	–	–

[1] Note 4.
[2] EBIT/revenue.
[3] After deduction of non-controlling interests.
[4] Prior-period amount as at 31 December, for the calculation page 11 of the Interim Group Management Report.
[5] Basic earnings per share.
[6] Average FTEs; prior-period amount corresponds to that of financial year 2013.

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Cross-references

Websites

Dr Frank Appel

Chief Executive Officer
Deutsche Post AG

Deutsche Post DHL

4 August 2014

First half of 2014

Dear Shareholders,

Deutsche Post DHL recorded a solid performance in the second quarter of the financial year. Although the world economy is still only seeing moderate growth and our business continued to suffer from substantial currency effects, in the first half of 2014 we were able to increase revenue slightly whilst achieving more significant operating earnings growth of 3.8%.

The German parcel business in the Post - eCommerce - Parcel division continued to show encouraging dynamic growth. The international express business also grew strongly – here return on sales even reached 10.7% in the second quarter. We also generated a solid earnings improvement in the SUPPLY CHAIN division. By contrast, the GLOBAL FORWARDING, FREIGHT division was under pressure, particularly the air freight business. Moreover, EBIT in this segment was affected by high expenses for the NFE project. However, I see this project as an important investment in our future competitive position.

Against this backdrop, we have adjusted our expectations with regard to the contributions each division will make to consolidated EBIT. For full-year 2014, we continue to expect consolidated EBIT to reach between €2.9 billion and €3.1 billion. The Post - eCommerce - Parcel division is now likely to contribute around €1.3 billion to this figure and in the DHL divisions we expect a year-on-year improvement in EBIT to between €2.0 billion and €2.2 billion.

We are considering a number of measures designed to strengthen earnings growth in the medium to long term – particularly in the GLOBAL FORWARDING, FREIGHT and SUPPLY CHAIN divisions.

The investments in the planned measures will affect the year 2015 in particular, although consolidated net profit in that year will significantly surpass the figure for 2014. We shall decide upon the exact scope and time frame for the measures as the year progresses. My highest priority is to ensure the long-term success and profitability of the company, even if this leads to slower earnings growth in the short term.

Yours faithfully,

Deutsche Post DHL
The Mail & Logistics Group

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GENERAL INFORMATION

Organisation

Angela Titzrath steps down from Board of Management

In the second quarter of 2014, no material changes were made to the Group's organisational structure.

On 2 July 2014, Angela Titzrath, Board Member and Labour Director of Deutsche Post DHL, resigned from the Board of Management. Pending the appointment of a new Board Member for Human Resources, Dr Frank Appel, CEO of Deutsche Post DHL, will take on the corresponding responsibilities in a dual role.

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.

REPORT ON ECONOMIC POSITION

Overall Board of Management assessment of the economic position

Revenue and earnings increased

Deutsche Post DHL increased revenue slightly despite the fact that our business continued to suffer from substantial currency effects in the first half of 2014. Earnings growth was more significant thanks to an improved margin, with EBIT increasing by 3.8%. The German parcel business in the Post - eCommerce - Parcel division and the international business in the EXPRESS division continue to achieve dynamic growth. We also generated a solid earnings improvement in the SUPPLY CHAIN division. By contrast, business was under pressure in the GLOBAL FORWARDING, FREIGHT division, particularly in air freight. Nevertheless, the Group's financial position remains solid in the opinion of the Board of Management, despite slightly lower operating cash flow performance.

Economic parameters

Global economy remains on a modest growth course

The modest upturn in the world economy continued in the first half of 2014. Although the economy continued to recover in most industrial countries, some emerging economies suffered from political unrest and uncertainty on the financial markets.

In Asia, the economy gained slightly in momentum after a weak start to the year. This region nonetheless continues to see the greatest economic momentum. In China, gross domestic product (GDP) was weaker in the first half of 2014 than in the prior year with growth of 7.4%. Japan is currently experiencing a solid upswing, despite the fact that the hefty increase in value added tax in April resulted in sharp fluctuations in economic output. Following the sharp increase of 1.6% in first-quarter GDP due above all to purchases being brought forward, GDP is expected to have dropped by a similar amount in the second quarter.

The US economy rallied again after the weather-related declines at the start of the year, primarily on the back of private consumption and capital expenditure. The situation on the labour market improved notably, even though the mid-year unemployment rate remained at a relatively high level by US standards. The US Federal Reserve kept its key interest rate at between 0% and 0.25% in order to boost the economy and the labour market.

In the euro zone, the economy seems to be continuing on a slow upwards trend. Even the situation on the labour market improved slightly in the first half of the year. The sovereign debt crisis continued to lessen in severity at the same time. However, the rate of inflation decreased even further. The European Central Bank (ECB) therefore lowered its key interest rate by 0.1 percentage points to 0.15% in June. In addition, banks have since been paying penalty interest of 0.1% on their surplus deposits with the ECB.

After the strong growth at the beginning of the year, German GDP only increased moderately in the second quarter. The German ifo Business Climate Index has now fallen three times in succession. All in all, however, the German economy is in robust shape, which, in turn, also benefited the labour market. The working population grew sharply whilst unemployment fell slightly on balance.

Significant events

No significant events

There were no events with material effects on the Group's net assets, financial position and results of operations in the first half of 2014.

Results of operations

02 Selected indicators for results of operations

		H1 2013 adjusted[1]	H1 2014	Q2 2013 adjusted[1]	Q2 2014
Revenue	€m	27,008	27,264	13,605	13,695
Profit from operating activities (EBIT)	€m	1,329	1,380	619	654
Return on sales[2]	%	4.9	5.1	4.5	4.8
Consolidated net profit for the period[3]	€m	920	963	422	461
Earnings per share[4]	€	0.76	0.80	0.35	0.38

[1] Note 4.
[2] EBIT/revenue.
[3] After deduction of non-controlling interests.
[4] Basic earnings per share.

Changes in reporting and portfolio

The amendments to IFRS 10 (Consolidated Financial Statements) and IFRS 11 (Joint Arrangements) have been required to be applied since 1 January 2014. This had a minor overall impact on a number of items in the balance sheet and income statement. Detailed information can be found in the Notes.

Notes 1 and 4

Our domestic parcel business in Belgium, the Czech Republic, India, the Netherlands and Poland was consolidated in the Post - eCommerce - Parcel (PeP) division at the beginning of the year. This business was previously part of the EXPRESS and GLOBAL FORWARDING, FREIGHT divisions.

In addition, the US company Sky Courier Inc. was reassigned from the EXPRESS division to the GLOBAL FORWARDING, FREIGHT division in the first quarter.

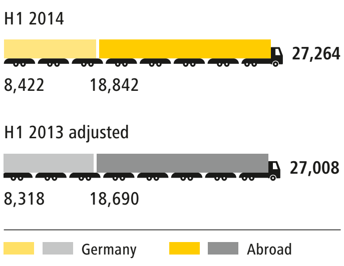
The Belgian company Speedpack NV was transferred from the GLOBAL FORWARDING, FREIGHT division to the PeP division effective 1 April.

The prior-year amounts have been adjusted. We have not drawn attention to this again in the following explanations to the interim group management report.

DHL Global Forwarding & Co. LLC, Oman, has been consolidated since May 2014 due to contractual changes. The company had previously been accounted for using the equity method.

03 Consolidated revenue

€m



Consolidated revenue up slightly on prior year

In the first half of 2014, consolidated revenue grew slightly to €27,264 million (previous year: €27,008 million), weighed down by negative currency effects of €828 million. The proportion of consolidated revenue generated abroad remained on a par with the prior year at 69.1% (previous year: 69.2%). Changes in the portfolio reduced revenue by €152 million.

At €13,695 million, revenue was up by €90 million in the second quarter. This figure was negatively impacted by currency effects (€367 million) and changes in the portfolio (€62 million).

Other operating income was up by €6 million year-on-year in the first half of 2014. The prior-year figure included deconsolidation gains on the sale of several companies, amongst other things. Income increased by €115 million in the reporting period also as a result of the reversal of a provision for restructuring the express business in the USA.

Higher depreciation, amortisation and impairment losses

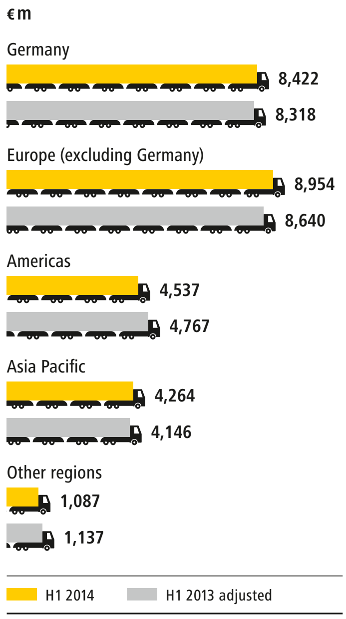
Materials expense rose by €85 million to €15,240 million, primarily due to the increase in goods purchased and held for resale for the business with the UK National Health Service in the SUPPLY CHAIN division.

Staff costs rose slightly by €58 million to €9,048 million. This was mainly attributable to the increase in the number of employees in the SUPPLY CHAIN division and higher labour costs in the PeP division.

Depreciation, amortisation and impairment losses increased by €83 million to €736 million, largely due to impairment losses on aircraft and aircraft parts amounting to €104 million.

At €1,796 million, other operating expenses were €15 million lower year-on-year (previous year: €1,811 million).

04 Revenue by region



05 Development of revenue, other operating income and operating expenses, H1 2014

	€m	%	
Revenue	27,264	0.9	• Currency effects reduced organic growth in revenue by €828 million
Other operating income	936	0.6	• Prior-year figure also included deconsolidation gains on the sale of several companies • Restructuring provisions of €115 million reversed in the reporting period
Materials expense	15,240	0.6	• Increase in cost of goods purchased and held for resale in the SUPPLY CHAIN division
Staff costs	9,048	0.6	• Increased number of staff, mostly in SUPPLY CHAIN • Higher labour costs in the PeP division
Depreciation, amortisation and impairment losses	736	12.7	• Figure includes impairment losses on aircraft of €104 million
Other operating expenses	1,796	−0.8	• Multiple smaller effects

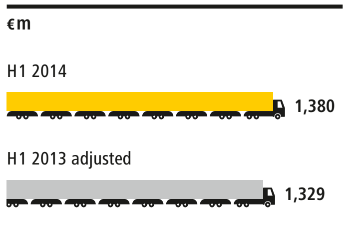
Consolidated EBIT improves by 3.8%

Profit from operating activities (EBIT) improved compared with the previous year, rising by 3.8% to €1,380 million in the first half of 2014. In the second quarter, it rose by 5.7% to €654 million.

By contrast, net finance costs widened from €83 million to €174 million, due in particular to lower interest income. The prior-year figure included interest income from the reversal of a provision for interest on tax liabilities.

Profit before income taxes declined from €1,246 million to €1,206 million. Income taxes also decreased, falling by €81 million to €193 million.

06 Consolidated EBIT



Increase in consolidated net profit

Consolidated net profit for the period rose from €972 million to €1,013 million in the reporting period. Of this amount, €963 million is attributable to shareholders of Deutsche Post AG and €50 million to non-controlling interest holders. Earnings per share also increased, with basic earnings up from €0.76 to €0.80 and diluted earnings rising from €0.73 to €0.77.

EBIT after asset charge increased

EBIT after asset charge (EAC) improved from €642 million to €683 million in the first half of 2014, due primarily to the company's increased profitability. The imputed asset charge rose slightly by 1.5%. This increase is driven primarily by the increase in net working capital.

07 EBIT after asset charge (EAC)

€m	H1 2013 adjusted[1]	H1 2014	+/– %
EBIT	1,329	1,380	3.8
Asset charge	–687	–697	–1.5
EAC	642	683	6.4

[1] Note 4.

Financial position

08 Selected cash flow indicators

€m	H1 2013 adjusted[1]	H1 2014	Q2 2013 adjusted[1]	Q2 2014
Cash and cash equivalents as at 30 June	1,879	1,882	1,879	1,882
Change in cash and cash equivalents	–473	–1,408	–600	–573
Net cash from operating activities	617	566	496	483
Net cash used in investing activities	–453	–22	–219	–18
Net cash used in financing activities	–637	–1,952	–877	–1,038

[1] Note 4.

Liquidity situation remains solid

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The principles and aims of our financial management as presented in the 2013 Annual Report from page 51 remain valid and continue to be pursued as part of our finance strategy. The net cash used in financing activities in the first half of 2014 resulted primarily from the planned repayment of a bond falling due in January as well as the dividend payment made in May 2014 to Deutsche Post AG shareholders for financial year 2013.

Despite a slight rise in funds from operations (FFO), the FFO to debt performance metric decreased in the first half of 2014 as expected. The decline was due to the decrease in surplus cash and near-cash investments as a result of the annual pension prepayment to the *Bundesanstalt für Post und Telekommunikation* (German federal post and telecommunications agency) and the dividend paid out for financial year 2013. Non-recurring income/expenses include operating restructuring payments of €38 million.

Our credit quality as rated by Moody's Investors Service (Moody's) and Fitch Ratings (Fitch) has not changed from the ratings of "Baa1" and "BBB+", respectively, as described in the 2013 Annual Report beginning on page 54. The positive outlook from Moody's and the stable outlook from Fitch are also still applicable. In view of our solid liquidity, the five-year syndicated credit facility with a total volume of €2 billion was not drawn down during the reporting period. As at 30 June 2014, the Group had cash and cash equivalents of €1.9 billion.

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09 FFO to debt

€m	1 Jan. to 31 Dec. 2013 adjusted[1]	1 July 2013 to 30 June 2014
Operating cash flow before changes in working capital	3,079	3,172
+ Interest and dividends received	56	45
– Interest paid	166	175
+ Adjustment for operating leases	1,240	1,240
+ Adjustment for pensions	144	144
± Non-recurring income/expenses	73	38
= Funds from operations (FFO)	**4,426**	**4,464**
Reported financial liabilities[2]	5,954	5,247
– Financial liabilities at fair value through profit or loss[2]	40	76
+ Adjustment for operating leases[3]	5,099	5,099
+ Adjustment for pensions[3]	4,941	4,941
– Surplus cash and near-cash investments[2, 4]	3,082	733
= Debt	**12,872**	**14,478**
FFO to debt (%)	**34.4**	**30.8**

[1] Note 4.
[2] As at 31 December 2013 and 30 June 2014, respectively.
[3] As at 31 December 2013.
[4] 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 slightly above prior-year level

At the end of June 2014, the Group's aggregate capital expenditure (capex) amounted to €511 million, which reflects a slight increase on the prior-year figure (€495 million). Funds were used mainly to replace and expand assets as follows: €395 million was invested in property, plant and equipment and €116 million in intangible assets excluding goodwill. Investments in property, plant and equipment related to advance payments and assets under development (€216 million), transport equipment (€60 million), land and buildings (€29 million), IT equipment (€27 million), technical equipment and machinery (€27 million), operating and office equipment (€21 million) and aircraft (€15 million). In regional terms, we invested mainly in Europe and the Americas as well as in Asia.

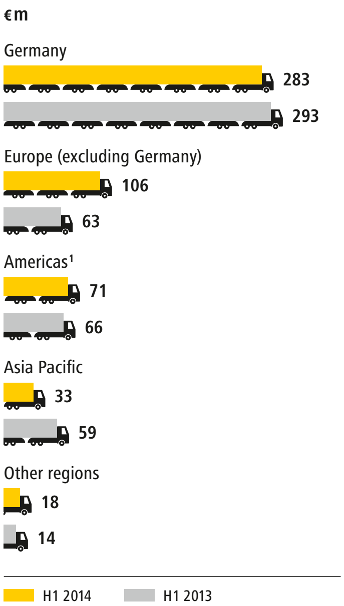
10 Capex and depreciation, amortisation and impairment losses, H1

	PeP		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Group	
	2013 adjusted	2014	2013 adjusted	2014	2013 adjusted	2014	2013	2014	2013	2014	2013 adjusted	2014
Capex (€m)	120	100	155	124	42	82	108	127	70	78	495	511
Depreciation, amortisation and impairment losses (€m)	178	177	188	282	46	43	138	128	103	106	653	736
Ratio of capex to depreciation, amortisation and impairment losses	0.67	0.56	0.82	0.44	0.91	1.91	0.78	0.99	0.68	0.74	0.76	0.69

11 Capex and depreciation, amortisation and impairment losses, Q2

	PeP		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Group	
	2013 adjusted	2014	2013 adjusted	2014	2013 adjusted	2014	2013	2014	2013	2014	2013 adjusted	2014
Capex (€m)	71	62	81	85	23	60	61	62	44	66	280	335
Depreciation, amortisation and impairment losses (€m)	91	84	99	193	23	21	68	64	52	53	333	415
Ratio of capex to depreciation, amortisation and impairment losses	0.78	0.74	0.82	0.44	1.00	2.86	0.90	0.97	0.85	1.25	0.84	0.81

12 Capex by region



[1] Prior-period amount adjusted.

Capital expenditure in the PeP division decreased from €120 million to €100 million in the reporting period, primarily because we either pushed up investments to 2013 or postponed them until the second half of 2014. Investment spending continued to flow predominantly into the Parcel 2012 Production Concept.

In the EXPRESS division, capital expenditure totalled €124 million in the first half of the year (previous year: €155 million), of which €86 million related to advance payments. Compared with the prior-year period, phasing effects occurred with regard to fleet renewal because the majority of the investments in 2014 are expected in the second half of the year.

In the GLOBAL FORWARDING, FREIGHT division, a total of €82 million was invested in the first half of the year (previous year: €42 million). Of that figure, €73 million was attributable to the Global Forwarding business unit, where we continued to improve our IT, particularly with respect to the New Forwarding Environment project. We also consolidated and fitted out new warehouses across all regions. A total of €9 million was invested in the Freight business unit, mainly in real estate, IT and operating equipment.

In the SUPPLY CHAIN division, capital expenditure amounted to €127 million in the reporting period (previous year: €108 million). Of that amount, €107 million related to the Supply Chain business unit, €13 million to Williams Lea and €7 million to central entities. Around 48% of the funds were used to support new business globally. The majority of the expenditure in the first half of 2014 was attributable to new customer projects in the Americas and Europe regions.

Cross-divisional capital expenditure increased from €70 million in 2013 to €78 million in the reporting period, predominantly due to higher expenditure for IT equipment.

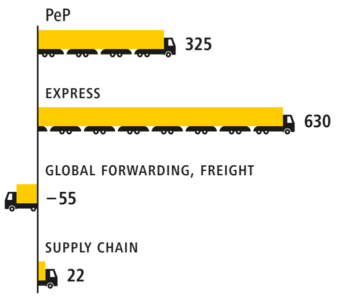
Lower operating cash flow

At €566 million, net cash from operating activities was €51 million down on the previous year. In contrast, net cash from operating activities before changes in working capital rose by €93 million to €1,522 million. The depreciation, amortisation and impairment losses contained in EBIT are non-cash effects and are therefore adjusted. They increased by €83 million, mainly due to impairment losses recognised on aircraft. The change in provisions rose from €–225 million to €–331 million, partially due to the reversal of restructuring provisions in the EXPRESS division. The cash outflow from changes in working capital rose by €144 million; in particular, the change in receivables and other current assets amounting to €–949 million increased the cash outflow by €187 million. Operating cash flow is regularly impacted in the first half of the year by the annual prepayment to the *Bundesanstalt für Post und Telekommunikation*; the 2014 payment was €535 million.

At €22 million, net cash used in investing activities was significantly lower than in the previous year (€453 million). With a cash inflow of €600 million the sale of money market funds in particular contributed to changes in current financial assets. In contrast, cash paid to acquire non-current assets rose from €545 million to €708 million. Although some of the investments in property, plant and equipment and intangible assets had been capitalised at the end of 2013, the cash was only paid in 2014.

13 Operating cash flow by division, H1 2014

€m



14 Calculation of free cash flow

€m	H1 2013 adjusted[1]	H1 2014	Q2 2013 adjusted[1]	Q2 2014
Net cash from operating activities	**617**	**566**	**496**	**483**
Sale of property, plant and equipment and intangible assets	85	72	38	25
Acquisition of property, plant and equipment and intangible assets	−545	−708	−254	−260
Cash outflow arising from change in property, plant and equipment and intangible assets	**−460**	**−636**	**−216**	**−235**
Disposal of subsidiaries and other business units	30	0	13	0
Acquisition of subsidiaries and other business units	−23	3	−24	3
Cash inflow/outflow arising from acquisitions/divestitures	**7**	**3**	**−11**	**3**
Interest received	27	27	9	10
Interest paid	−92	−101	−43	−53
Net interest paid	**−65**	**−74**	**−34**	**−43**
Free cash flow	**99**	**−141**	**235**	**208**

[1] Note 4.

Free cash flow deteriorated from €99 million to €–141 million in the six-month period, mainly because the cash paid to acquire property, plant and equipment and intangible assets as well as the cash outflow from changes in working capital increased. The second-quarter decline was lower.

At €1,952 million, net cash used in financing activities was €1,315 million higher than in the previous year. The dividend paid to our shareholders was the largest payment item, at €968 million. It increased by €122 million year-on-year. In addition, the repayment of a bond in January made a significant contribution to the cash outflow (€926 million). The loan of €120 million taken out with Deutsche-Post-Betriebsrenten-Service e.V. was largely responsible for the cash inflow of €117 million from changes in current financial liabilities. In the previous year the loan totalled €312 million.

Changes in the cash flows from the individual areas of activity saw cash and cash equivalents decline from €3,414 million as at 31 December 2013 to €1,882 million.

Net assets

15 Selected indicators for net assets

		31 Dec. 2013 adjusted[1]	30 June 2014
Equity ratio	%	28.3	26.1
Net debt	€m	1,499	2,944
Net interest cover[2]		20.4	18.6
Net gearing	%	13.0	24.8
FFO to debt[3]	%	34.4	30.8

[1] Note 4.
[2] In the first half of the year.
[3] For the calculation page 7.

Decrease in consolidated total assets

The Group's total assets amounted to €34,226 million as at 30 June 2014, €1,235 million lower than at 31 December 2013 (€35,461 million).

At €21,363 million, non-current assets were on a par with the previous year (€21,370 million). Intangible assets rose by €81 million to €11,913 million, mainly due to the impact of foreign currency effects on goodwill. In contrast, property, plant and equipment declined from €6,800 million to €6,537 million. At €395 million, additions were well below depreciation and impairment losses (€604 million). Non-current financial assets, on the other hand, rose by €147 million to €1,270 million. Other non-current assets declined by €68 million to €119 million, primarily due to the decrease in pension assets as a result of actuarial losses. Deferred tax assets increased from €1,327 million to €1,426 million.

Current assets amounted to €12,863 million as at the balance sheet date, down €1,228 million on the figure as at 31 December 2013. Inventories declined slightly by €7 million to €395 million. Current financial assets decreased significantly by €671 million to €150 million, largely because we liquidated short-term investments in money market funds and used them in part to repay a bond. Trade receivables rose by €233 million to €7,255 million. In particular, other current assets increased sharply by €712 million to €2,935 million. This figure includes €263 million relating to the accrual of the prepaid annual contribution to the *Bundesanstalt für Post und Telekommunikation* for pension and assistance benefits. Income tax assets rose by €28 million to €195 million. The reasons for the significant €1,532 million fall in cash and cash equivalents to €1,882 million are described in the section entitled Financial position.

Page 9 f.

At €8,794 million, equity attributable to Deutsche Post AG shareholders was €1,050 million lower than at 31 December 2013 (€9,844 million). Although consolidated net profit for the period made a positive contribution, actuarial losses on pension obligations and the dividend payment to our shareholders in particular led to a decrease in equity.

Non-current and current liabilities declined from €16,946 million to €15,935 million. This was largely attributable to the €707 million decrease in financial liabilities to €5,247 million, mainly resulting from the repayment of a bond in the amount of €926 million in January. Trade payables decreased by €647 million to €5,711 million. In contrast, other current liabilities rose from €3,978 million to €4,231 million, primarily due to an increase in liabilities to employees. Since actuarial losses led to the recognition of additional provisions for pensions, non-current and current provisions increased significantly from €8,481 million to €9,345 million.

Net debt increases to €2,944 million

Our net debt rose from €1,499 million as at 31 December 2013 to €2,944 million as at 30 June 2014, in part because of the regular annual contribution to the *Bundesanstalt für Post und Telekommunikation*, which is paid in the first quarter. In addition, the dividend for financial year 2013 in the amount of €968 million was paid out in May. At 26.1%, the equity ratio was lower than at 31 December 2013 (28.3%). Net interest cover shows the extent to which net interest obligations are covered by EBIT. This indicator declined from 20.4 to 18.6. Net gearing was 24.8% as at 30 June 2014.

16 Net debt

€m	31 Dec. 2013 adjusted[1]	30 June 2014
Non-current financial liabilities	4,599	4,658
+ Current financial liabilities	1,297	512
= Financial liabilities	5,896	5,170
− Cash and cash equivalents	3,414	1,882
− Current financial assets	821	150
− Long-term deposits[2]	55	58
− Positive fair value of non-current financial derivatives[2]	107	136
= Financial assets	4,397	2,226
Net debt	1,499	2,944

[1] Note 4.
[2] Reported in non-current financial assets in the balance sheet.

Business performance in the divisions

OVERVIEW

17 Key figures by operating division

€m	H1 2013 adjusted	H1 2014	+/– %	Q2 2013 adjusted	Q2 2014	+/– %
Post - eCommerce - Parcel						
Revenue	7,465	7,602	1.8	3,642	3,642	0.0
of which Post	4,918	4,959	0.8	2,388	2,348	–1.7
eCommerce - Parcel	2,547	2,643	3.8	1,254	1,294	3.2
Profit from operating activities (EBIT)	635	585	–7.9	238	188	–21.0
Return on sales (%)[1]	8.5	7.7	–	6.5	5.2	–
Operating cash flow	425	325	–23.5	308	188	–39.0
EXPRESS						
Revenue	5,828	5,968	2.4	3,015	3,089	2.5
of which Europe	2,673	2,756	3.1	1,363	1,402	2.9
Americas	1,081	1,074	–0.6	564	557	–1.2
Asia Pacific	1,988	2,082	4.7	1,052	1,096	4.2
MEA (Middle East and Africa)	466	448	–3.9	237	228	–3.8
Consolidation/Other	–380	–392	–3.2	–201	–194	3.5
Profit from operating activities (EBIT)	523	607	16.1	282	332	17.7
Return on sales (%)[1]	9.0	10.2	–	9.4	10.7	–
Operating cash flow	421	630	49.6	276	345	25.0
GLOBAL FORWARDING, FREIGHT						
Revenue	7,311	7,161	–2.1	3,709	3,638	–1.9
of which Global Forwarding	5,347	5,162	–3.5	2,717	2,639	–2.9
Freight	2,033	2,068	1.7	1,027	1,035	0.8
Consolidation/Other	–69	–69	0.0	–35	–36	–2.9
Profit from operating activities (EBIT)	214	149	–30.4	127	100	–21.3
Return on sales (%)[1]	2.9	2.1	–	3.4	2.7	–
Operating cash flow	167	–55	–	94	45	–52.1
SUPPLY CHAIN						
Revenue	7,009	7,124	1.6	3,537	3,618	2.3
of which Supply Chain	6,383	6,463	1.3	3,223	3,286	2.0
Williams Lea	629	664	5.6	315	333	5.7
Consolidation/Other	–3	–3	0.0	–1	–1	0.0
Profit from operating activities (EBIT)	162	193	19.1	79	109	38.0
Return on sales (%)[1]	2.3	2.7	–	2.2	3.0	–
Operating cash flow	46	22	–52.2	–31	–6	80.6

[1] EBIT/revenue.

POST - ECOMMERCE - PARCEL DIVISION

Revenue increases with fewer working days

In the first half of 2014, revenue in the division was €7,602 million, 1.8% above the prior-year figure of €7,465 million, despite 0.4 fewer working days in Germany than in the same period last year. After parts of the domestic parcel business outside Germany were transferred to the Post - eCommerce - Parcel division effective 1 January 2014, the figures for the current financial year and the prior year were adjusted accordingly. Negative currency effects of €37 million were recorded in the reporting period.

Increased revenue and volumes in the Post business unit

Overall performance in the Post business unit was encouraging. Revenue in the first half of 2014 was €4,959 million, exceeding the prior-year figure slightly by 0.8% (previous year: €4,918 million). In addition to the price increase for a standard letter at the beginning of the year, this is attributable to the overall rise in volumes. Revenue in the second quarter was €2,348 million (previous year: €2,388 million).

The domestic mail business performed well, driven mainly by postage increases as well as the rise in volumes resulting from the European elections and the local elections in Germany. However, revenue in the international import/export business in the first half of the year was noticeably below the prior-year level due to changes in the breakdown of items.

In the Dialogue Marketing business, revenue and sales of addressed advertising mail benefited from the increase in mail related to the introduction of SEPA as sent by financial service providers as well as mail sent by the public sector prior to the elections. The decrease in advertising expenditures from mail-order businesses in the second quarter was thus offset. Whilst revenue generated through unaddressed advertising mail in the reporting period was on a par with the prior-year level, sales increased on account of the expansion of the delivery area for our "Einkauf aktuell" product.

The press services market remains in decline. Daily newspaper and popular magazine circulation, in particular, continues to decrease. Over the reporting period, our revenue and sales in this business were slightly below the prior-year level.

18 Post: volumes

Mail items (millions)	H1 2013	H1 2014	+/– %	Q2 2013	Q2 2014	+/– %
Total	10,128	10,326	2.0	4,843	4,944	2.1
of which Mail Communication	4,437	4,501	1.4	2,091	2,093	0.1
of which Dialogue Marketing	4,625	4,788	3.5	2,206	2,305	4.5

eCommerce - Parcel business unit continues to grow

In the first half of 2014, revenue in the eCommerce - Parcel business unit was €2,643 million, exceeding the prior-year figure of €2,547 million by 3.8%. After the good start of the year, the parcel business in Germany also performed well in the second quarter. Growth in revenue and sales was recorded in both the second quarter and the first half of the year.

The transferred domestic parcel business in Europe has been smoothly integrated into the division thus far and the first strategic initiatives to expand the business have begun. Revenue in this business area in the reporting period was on a par with the prior-year level, whilst sales increased slightly.

Our e-commerce activities are also developing positively overall. Although our project to streamline our customer portfolio, which began in the first quarter, has had an impact on sales, revenue in the reporting period exceeded the prior-year figure when adjusted for currency effects.

19 Parcel Germany: volumes

Parcels (millions)	H1 2013	H1 2014	+/– %	Q2 2013	Q2 2014	+/– %
Parcel Germany	457	482	5.5	223	236	5.8

Earnings excluding one-time effects at prior-year level

Although revenue rose, increased material and labour costs as well as the continued expansion of our parcel network hindered, as in previous quarters, an improvement in earnings. EBIT in the division declined by €50 million, from €635 million in the previous year to €585 million in the reporting period. The return on sales was 7.7% (previous year: 8.5%). EBIT in the second quarter of 2014 was €188 million (previous year: €238 million). However, the prior-year figure included a positive effect of €50 million from the utilisation of some of the provision recognised for postage stamps in the second quarter of 2013.

Operating cash flow in the first half of 2014 decreased from €425 million to €325 million, which was mainly attributable to a net cash outflow from working capital. Working capital was €–151 million, remaining significantly above the prior-year level (€–432 million).

EXPRESS DIVISION

International business continues to grow

Revenue in the division increased by 2.4% to €5,968 million in the first half of 2014 (previous year: €5,828 million). Excluding negative currency effects of €301 million and the effect from the sale of the domestic express business in Romania in the first half of 2013, revenue in the reporting period grew by 7.7%.

In the Time Definite International (TDI) product line, daily revenues rose year-on-year by 8.8% in comparison with both the first half of the year and the second quarter of 2013. The number of shipments sent daily by our customers increased by 7.9% in the first half of the year and by 8.2% in the second quarter.

In the Time Definite Domestic (TDD) product line, daily revenues in the first half of the year were on a par with the prior year, whilst shipment volumes improved slightly by 1.1%. In the second quarter, daily revenues in this product line grew by 2.6%.

Effective 1 January 2014, we transferred the Indian subsidiary Blue Dart as well as the domestic express business in the Netherlands, Belgium and Poland to the PeP division. Our focus in the EXPRESS division in these countries is now on our core competence, international business. The subsidiary SkyCourier Inc. in the United States was transferred to the GLOBAL FORWARDING, FREIGHT division.

20 EXPRESS: revenue by product

€m per day[1]	H1 2013 adjusted	H1 2014	+/– %	Q2 2013 adjusted	Q2 2014	+/– %
Time Definite International (TDI)	34.0	37.0	8.8	35.4	38.5	8.8
Time Definite Domestic (TDD)	3.9	3.9	0.0	3.9	4.0	2.6

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

21 EXPRESS: volumes by product

Thousands of items per day[1]	H1 2013 adjusted	H1 2014	+/– %	Q2 2013 adjusted	Q2 2014	+/– %
Time Definite International (TDI)	631	681	7.9	647	700	8.2
Time Definite Domestic (TDD)	360	364	1.1	363	369	1.7

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

Revenues and volumes up again in Europe region

Revenue in the Europe region increased by 3.1% in the first half of 2014 to €2,756 million (previous year: €2,673 million). The figure for the reporting period included negative currency effects of €35 million, which related mainly to our business activities in Russia and Turkey. Excluding these effects and the effect from the sale of the domestic express business in Romania in the first half of 2013, revenue growth in the reporting period was 4.6%. Daily revenues in the TDI product line grew by 4.8% in the first half of the year, due primarily to the increase in shipment volumes which rose by 3.7%. In the second quarter, daily international shipments increased by 4.3% and shipment volumes by 3.9%.

Operating business in the Americas region remains encouraging

In the first half of 2014, revenue in the Americas region amounted to €1,074 million – slightly below the previous year's figure of €1,081 million. The figure for the reporting period included considerable negative currency effects of €112 million, which occurred mainly in Venezuela, the United States and in other South and Central American countries. Excluding these effects, revenue in the region rose by 9.7% in the first half of the year. In the TDI product line, daily revenue witnessed a double-digit increase of 11.0% largely due to the 10.5% rise in per-day shipment volumes. In the second quarter, both daily revenue and the number of daily shipments in the TDI product line saw increases of 11.7%.

Momentum in Asia Pacific region continues

Revenue in the Asia Pacific region increased by 4.7% in the first half of 2014 to €2,082 million (previous year: €1,988 million). The figure for the reporting period included negative currency effects of €134 million, which related primarily to our business activities in Japan, China and India as well as other countries in the region. Excluding these effects, the year-on-year revenue increase was an encouraging 11.5%. In the TDI product line, both daily revenues and per-day volumes saw double-digit growth rates of 12.1% and 11.5%, respectively. Growth in the second quarter amounted to 12.0% and 11.9%, respectively.

International volumes in the MEA region on the rise

In the MEA region (Middle East and Africa), revenue in the first half of 2014 was €448 million and thus 3.9% below the prior year's figure of €466 million. The figure for the reporting period included negative currency effects of €26 million; excluding these effects, revenue grew year-on-year by 1.7%. In the TDI product line, daily revenues increased by 9.6% and per-day volumes by 10.7%.

EBIT and return on sales see clear increases

In the first half of 2014, EBIT in the division improved considerably by 16.1% to €607 million (previous year: €523 million). Increased revenues, the higher operating profitability of our network and strict indirect cost management in particular contributed to this improvement. The EBIT figure for the first half of 2013 included a €12 million deconsolidation gain on the divestment of the domestic express business in Romania. Return on sales in the first half of 2014 rose from 9.0% to 10.2%. In the second quarter, EBIT climbed by 17.7% to €332 million, which increased return on sales to 10.7%.

In the United States, restructuring provisions were reassessed and in the second quarter reduced by €104 million. As part of a fleet renewal, we are reducing the number of older aircraft in Europe. This led to an impairment loss of €104 million in the quarter.

The 49.6% increase in operating cash flow to €630 million in the first half of 2014 was supported by the improved operating profit, which is reflected in cash flow.

GLOBAL FORWARDING, FREIGHT DIVISION

Freight forwarding business recovers slightly as year progresses

Revenue in the division decreased by 2.1% to €7,161 million in the first half of 2014 (previous year: €7,311 million). The figure for the reporting period included negative currency effects of €325 million. The freight forwarding business recovered slightly in the second quarter of 2014. Excluding currency effects, revenue increased year-on-year by 2.4%. Reduced prices also continued to impact our revenue.

In the Global Forwarding business unit, revenue declined by 3.5% to €5,162 million (previous year: €5,347 million). Excluding negative currency effects of €292 million, revenue increased by 2.0%. Gross profit decreased by 7.7% to €1,183 million (previous year: €1,281 million).

Our strategic project New Forwarding Environment (NFE) continues to make good progress.

More new business gains in air and ocean freight

In the reporting period, revenues in air and ocean freight declined year-on-year. Volumes increased – slightly in air freight and more significantly in ocean freight. Fuel prices remained high whilst air and ocean freight rates remained stable.

Our air freight volumes in the reporting period were again on a par with the prior year despite lower demand from several large customers. We were able to offset this development with new business gains and expanded customer relationships in the months prior. This new business is now gradually being implemented. However, we expect the airlines to further reduce their freight capacities in order to increase pressure on rates and minimise losses. The pressure on margins remains high because, for many customers, an ever increasing share of total costs can be attributed to logistics. In the first half of 2014, we concluded additional large contracts which will be implemented in the current financial year. Our revenue in the reporting period declined by 2.9%; gross profit decreased by 11.0%.

Ocean freight volumes in the first half of 2014 were up 5.2% year-on-year. The main driver for this increase was new business won in the previous year. Routes to and from Asia continue to record the highest volumes, whilst routes from Asia to Europe and those via the Pacific are showing the largest increase. Our ocean freight revenue in the reporting period was down 3.6%. The very noticeable pressure on margins is the reason for the contradictory development of volumes and revenue. Ocean carriers are effectively controlling supply and demand. For example, available capacity is effectively limited by adjusting travel speed, whilst the rates agreed upon are increased. Gross profit declined in the reporting period by 5.6%.

Our industrial project business (in table 22, reported as part of Other) performed on a par with the prior year. In the first half of 2014, the share of revenue related to industrial project business and reported under Other was 36.6% and therefore down slightly year-on-year (previous year: 37.0%). Gross profit declined in the prior-year period by 13.3%.

22 Global Forwarding: revenue

€m	H1 2013 adjusted	H1 2014	+/– %	Q2 2013 adjusted	Q2 2014	+/– %
Air freight	2,463	2,392	–2.9	1,248	1,238	–0.8
Ocean freight	1,767	1,703	–3.6	901	864	–4.1
Other	1,117	1,067	–4.5	568	537	–5.5
Total	**5,347**	**5,162**	**–3.5**	**2,717**	**2,639**	**–2.9**

23 Global Forwarding: volumes

Thousands		H1 2013 adjusted	H1 2014	+/– %	Q2 2013 adjusted	Q2 2014	+/– %
Air freight	tonnes	1,921	1,941	1.0	987	1,008	2.1
of which exports	tonnes	1,070	1,092	2.1	551	572	3.8
Ocean freight	TEUs[1]	1,367	1,438	5.2	709	749	5.6

[1] Twenty-foot equivalent units.

Revenue in European overland transport business continues to climb

In the Freight business unit, revenue was up by 1.7% to €2,068 million in the first half of 2014 (previous year: €2,033 million). Negative currency effects of €35 million were offset above all by business growth in Central and Eastern Europe, Germany, France and Denmark. Persistent high pressure on margins in the highly competitive European transport market as well as negative currency effects reduced gross profit slightly by 1.3% to €545 million in the reporting period (previous year: €552 million).

EBIT declined

EBIT in the division declined to €149 million in the reporting period (previous year: €214 million). High NFE expenses continued to impact on EBIT. At the same time, gross profit margins decreased again despite continued strict cost management. The return on sales declined to 2.1% (previous year: 2.9%).

In the second quarter of 2014, EBIT fell year-on-year by 21.3% to €100 million.

Net working capital worsened in the first half of 2014 due to higher outstanding receivables, leading to a negative operating cash flow of €55 million (previous year: €167 million).

SUPPLY CHAIN DIVISION

Revenue growth impacted by currency effects and disposals

Revenue in the division increased by 1.6% to €7,124 million in the first half of 2014 (previous year: €7,009 million). Growth was impacted by negative currency effects of €172 million and the loss of revenue from prior-year disposals of €147 million. Excluding these effects, revenue growth was 6.2%. In the second quarter, revenue increased year-on-year by 2.3% from €3,537 million to €3,618 million. Excluding the effects mentioned above, second quarter revenue growth was 5.7%.

First half-year revenue in the Supply Chain business unit was €6,463 million, an increase of 1.3% (previous year: €6,383 million). Excluding business disposals and negative currency effects, growth was 6.2%. On this basis, growth in the emerging markets was better than that of the business unit as a whole. The Automotive and Life Sciences & Healthcare sectors represented a higher proportion of revenue compared with the previous year, offset by a slightly lower share in the Consumer and Retail sectors. Revenue from the top 20 customers increased by 4.3%.

In the Americas region, growth was impacted primarily by currency effects: the Brazilian real as well as the Canadian and US dollars weakened against the euro. Moreover, revenue no longer includes Exel Direct, which we disposed of in the second quarter of 2013. Excluding negative currency effects, the highest revenue growth was generated in the USA, Canada and Brazil, with the latter driven by improved transport volumes.

In the Asia Pacific region, we achieved substantial revenue growth from additional volumes and new business, particularly in Japan and Australia. In Japan, we benefited from new business in the Technology sector that was gained in the second half of 2013. Revenue growth in Australia came primarily from the Life Sciences & Healthcare sector. However, overall revenue growth in the region was offset fully by negative currency effects.

In Europe, volumes in the Automotive and Retail sectors increased on account of higher end-customer demand. Revenue in the Life Sciences & Healthcare sector improved due to additional business with the UK National Health Service. Prior-year disposals also impacted revenue growth in this region.

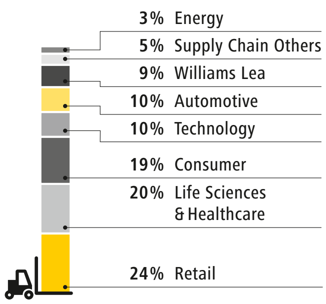
Williams Lea revenue increased by 5.6% in the reporting period to €664 million, driven mainly by increased retail banking business, higher volumes in the public sector and the ramp-up of new Marketing Solutions sourcing business in Asia.

New business worth around €510 million secured

In the first half of 2014, the Supply Chain business unit concluded additional contracts worth around €510 million in annualised revenue with both new and existing customers. The Consumer, Retail, Life Sciences & Healthcare, Automotive and Technology sectors accounted for the majority of the gains. The annualised contract renewal rate remained at a consistently high level.

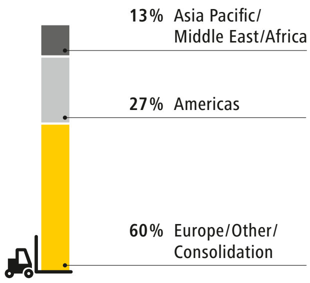
24 SUPPLY CHAIN: revenue by sector, H1 2014

Total revenue: €7,124 million



25 SUPPLY CHAIN: revenue by region, H1 2014

Total revenue: €7,124 million

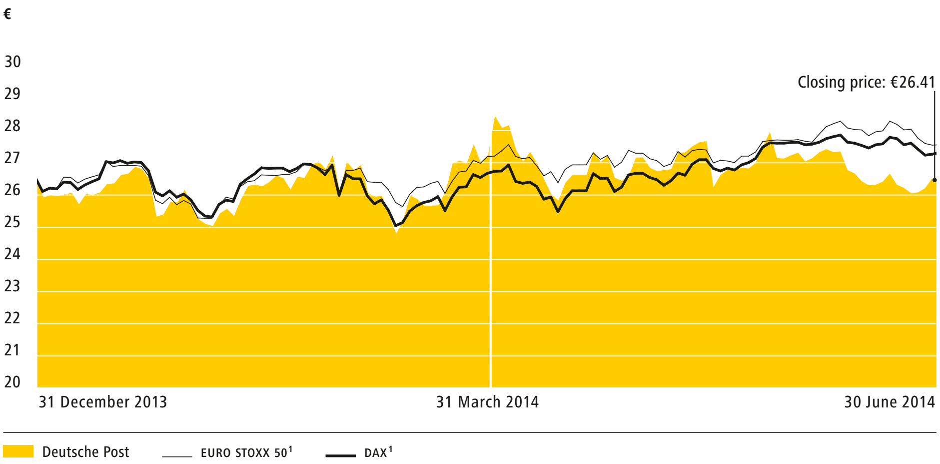


Improved first half EBIT performance

EBIT in the division was €193 million in the first half of 2014 (previous year: €162 million). The previous year included charges associated with the Chapter 11 insolvency filing of a major customer and expenses associated with the business disposals. The improved EBIT can be attributed to the high level of new business and to prior-year restructuring programmes. The return on sales was 2.7% (previous year: 2.3%). In the second quarter, EBIT increased from €79 million to €109 million. Operating cash flow for the first half of 2014 was €22 million (previous year: €46 million).

DEUTSCHE POST SHARES

26 Share price performance



[1] Rebased to the closing price of Deutsche Post shares on 31 December 2013.

Deutsche Post shares reach new high due to positive response to Strategy 2020

The financial markets suffered at the start of the second quarter due above all to the turbulence in Ukraine. However, the good reporting season in combination with the ECB's interest rate measure resulted in the DAX reaching a new high of 10,029 points on 10 June 2014. On 2 April, Deutsche Post shares benefited from the positive response to the presentation of our "Strategy 2020", reaching a new all-time high of €28.43. Our quarterly results led to a price drop on 15 May, given that first-quarter EBIT witnessed less growth than anticipated by the markets. Up to that point, our shares had outperformed the market. They subsequently proceeded to follow market trends, with the usual markdown priced in. On 30 June 2014, Deutsche Post shares closed down slightly at €26.41, representing a loss of 0.3%. The DAX registered a gain of 2.9% to reach 9,833 points.

Economic parameters, page 3

27 Deutsche Post shares

		31 Dec. 2013	30 June 2014
Closing price	€	26.50	26.41
High[1]	€	26.71	28.43
Low[1]	€	16.51	24.78
Number of shares[2]	millions	1,209.0	1,209.7
Market capitalisation	€m	32,039	31,948
Average trading volume per day[1]	shares	4,114,460	4,007,373

[1] In 2013 and first half of 2014.
[2] Capital increase to service share-based payment programmes.

28 Peer group comparison: closing prices

		31 Dec. 2013	30 June 2014	+/– %	30 June 2013	30 June 2014	+/– %
Deutsche Post DHL	EUR	26.50	26.41	–0.3	19.10	26.41	38.3
PostNL	EUR	4.15	3.45	–16.9	2.14	3.45	61.2
TNT Express	EUR	6.75	6.61	–2.1	5.76	6.61	14.8
FedEx	USD	143.77	151.38	5.3	98.58	151.38	53.6
UPS	USD	105.08	102.66	–2.3	86.48	102.66	18.7
Kuehne + Nagel	CHF	117.10	118.00	0.8	103.70	118.00	13.8

NON-FINANCIAL PERFORMANCE INDICATORS

Employees

Another slight increase in number of employees

The average number of employees (full-time equivalents) increased slightly to 437,885 in the first half of 2014, a 0.6% rise compared with the previous year's average. Increases were again mostly in the SUPPLY CHAIN division but also in the EXPRESS division.

Our current planning foresees another slight increase in the number of employees in financial year 2014.

POST-BALANCE-SHEET DATE EVENTS

No further significant events

There were no significant events with material effects on the Group's net assets, financial position and results of operations after the reporting date.

We report on the personnel change in the Board of Management on 2 July 2014 in the Organisation chapter.

Page 2

OPPORTUNITIES AND RISKS

Overall Board of Management assessment of the opportunity and risk situation

No foreseeable going-concern risk to the Group

Identifying opportunities and risks – and swiftly capitalising upon or counteracting them – is an important objective for our Group. We already account for the anticipated impact of potential events and developments in our business plan. Significant potential deviations from the Group's projected earnings are reported as opportunities and risks. The Group's overall opportunity and risk situation has not changed significantly in the reporting period as compared with the situation portrayed in the 2013 Annual Report but please note the risk mentioned below. Based upon the Group's early warning system and in the estimation of its Board of Management, there were no identifiable risks for the Group in the current forecast period which, individually or collectively, cast doubt upon the Group's ability to continue as a going concern. Nor are any such risks apparent in the foreseeable future.

dpdhl.com/en/investors

Opportunity and risk management

Opportunities and risks identified early

As an internationally operating logistics company, we are faced with numerous changes. Our aim is to identify the resulting opportunities and risks at an early stage and take the necessary measures in the specific areas affected in due time to ensure that we achieve a sustained increase in enterprise value. Our Group-wide opportunity and risk management system facilitates this aim. We describe our opportunity and risk management and the significant opportunities and risks in the forecast period in the 2013 Annual Report beginning on page 88.

Opportunities

Opportunity situation did not change significantly

In the first six months of 2014, the opportunity situation did not change significantly from that portrayed in the 2013 Annual Report beginning on page 92.

Risks

French Competition Authority examines express business

On 30 June 2014, DHL Express France received a Statement of Objections from the French Competition Authority alleging anticompetitive conduct in the domestic express business; a business which we had divested in June 2010. We are currently reviewing the Statement of Objections in full collaboration with the French authorities. It is difficult to quantify a liability at this early stage but it could potentially be material.

EXPECTED DEVELOPMENTS

Overall Board of Management assessment of the future economic position

Full-year Group earnings forecast unchanged

The Board of Management continues to expect consolidated EBIT to reach between €2.9 billion and €3.1 billion in financial year 2014 and world economic growth to be slightly above the previous year at best. A similar development is expected for world trade. The Post - eCommerce - Parcel division is now likely to contribute around €1.3 billion to consolidated EBIT. Compared with the previous year, we expect an improvement in EBIT to between €2.0 billion and €2.2 billion in the DHL divisions in the current year against the backdrop of additional investments for the NFE transformation programme. The Corporate Center/Other result should be better than €–0.4 billion. We expect to see further positive development in EBIT after asset charge and operating cash flow, in line with the EBIT trend.

Forecast period

Outlook generally refers to 2014

The information contained in the report on expected developments generally refers to financial year 2014. However, in some instances we have chosen to extend the scope.

Future organisation

No material changes to the organisational structure planned

Currently, no further material changes to the Group's organisational structure are planned for the current financial year.

Future economic parameters

Global economic growth to strengthen somewhat as the year progresses

Economists predict that the global economy will strengthen somewhat during the rest of 2014. In the industrial countries, expansive monetary policy is driving the economic upturn. In addition, fiscal consolidation pressure has abated. The emerging economies with strong export sectors are also expected to benefit from the upswing in the industrial countries, although structural problems in combination with political unrest in some countries could lessen this effect markedly. The International Monetary Fund (IMF) expects global economic output to grow by 3.4% and global trade by 4.0% in 2014.

GDP in China is expected to grow more slowly in 2014 than in the previous year, due in part to the slow first half of the year (IMF: 7.4%; Bloomberg Consensus: 7.4%). In Japan, growth is expected to pick up again after the temporary decline in economic output due to the VAT increase. On the whole, GDP growth is expected to remain approximately at the level of the prior year (IMF: 1.6%; Bloomberg Consensus: 1.5%; Global Insight: 1.4%).

Despite its broad-based economy, United States GDP growth in 2014 is expected to be slightly weaker than that of 2013 due to the very slow start to the year (IMF: 1.7%; Bloomberg Consensus: 1.7%; Global Insight: 1.7%).

In the euro zone, the economy is forecast to continue its gradual recovery, with domestic demand expected to see a slight revival. The moderately improving global environment is also expected to lead to an accelerated rise in exports. Overall, GDP growth is likely to be moderate over the year as a whole (IMF: 1.1%; ECB: 1.1%; Global Insight: 1.1%).

Early indicators suggest that the upturn in Germany will continue. Strong momentum is expected to come from gross fixed capital formation in particular. Employment and incomes are likely to rise notably as a result of such growth and thus spur private consumption. Exports are also expected to rise to an increasing extent, although they will remain behind imports, for which reason foreign trade will act as a brake on growth. However, GDP is likely to see significant growth on the whole (IMF: 1.9%; *Sachverständigenrat*: 1.9%; Global Insight: 2.1%).

Revenue and earnings forecast

Group forecast for 2014 confirmed

We continue to expect a backdrop of slight economic expansion in 2014. The global trading volumes relevant to our business are expected to perform similarly. We are anticipating a corresponding revenue trend, with increasing revenue, particularly in the DHL divisions.

Against this backdrop, we continue to expect consolidated EBIT to reach between €2.9 billion and €3.1 billion in financial year 2014. However, we have adjusted our expectations regarding the contributions to be made by the respective divisions. The Post - eCommerce - Parcel (PeP) division is now likely to contribute around €1.3 billion to consolidated EBIT. Compared with the previous year, we expect an improvement in EBIT to between €2.0 billion and €2.2 billion in the DHL divisions. The reduced forecast for the DHL divisions is due to the lower than expected contribution from GLOBAL FORWARDING, FREIGHT due to difficult market conditions and additional investments for the NFE transformation programme. The Corporate Center/Other result should be better than €–0.4 billion.

In line with our Group strategy, we are targeting organic growth and anticipate only a few small acquisitions in 2014, as in the previous year.

We expect the earnings generated by the Group in 2015 to significantly surpass the figure for 2014. However, we have decided not to provide specific guidance for 2015 at this time. Management has still to determine the exact amount of investments required for the NFE transformation programme in GLOBAL FORWARDING, FREIGHT and newly decided strategic restructuring measures in the SUPPLY CHAIN division.

In addition, the earnings projection presented by the Board of Management for 2016 calls for consolidated EBIT of between €3.4 billion and €3.7 billion. The PeP division is likely to account for more than €1.3 billion of this. The earnings contribution of the DHL divisions is expected to range from €2.45 billion to €2.75 billion. The Corporate Center/Other result should be around €–0.35 billion.

Our finance strategy calls for a payout of 40% to 60% of net profits as dividends as a general rule.

Expected financial position

Creditworthiness of the Group at least adequate

In 2014 we expect the FFO to debt performance metric to decrease as a result of the rise in pension obligations due to actuarial adjustments. Nonetheless, we expect the rating agencies to rank our creditworthiness as adequate or even better.

Liquidity situation remains solid

Our operating liquidity situation will improve towards the end of the year due to the upturn in business that is normal in the second half.

Investments to increase

dpdhl.com/en/investors

As described on page 105 of our 2013 Annual Report, capital expenditure of around €1.9 billion is planned for 2014. We shall focus on IT and aircraft.

Change in indicators relevant for internal management

EAC and operating cash flow demonstrate positive trend

We continue to expect a further positive development in our EBIT after asset charge and operating cash flow performance metrics in financial year 2014, in line with the respective EBIT trend. Here, the continuing rise in business volume may result in an increase in working capital within the individual divisions.

29 INCOME STATEMENT

1 January to 30 June

€m	H1 2013 adjusted[1]	H1 2014	Q2 2013 adjusted[1]	Q2 2014
Revenue	27,008	27,264	13,605	13,695
Other operating income	930	936	490	547
Total operating income	27,938	28,200	14,095	14,242
Materials expense	−15,155	−15,240	−7,677	−7,711
Staff costs	−8,990	−9,048	−4,536	−4,511
Depreciation, amortisation and impairment losses	−653	−736	−333	−415
Other operating expenses	−1,811	−1,796	−930	−951
Total operating expenses	−26,609	−26,820	−13,476	−13,588
Profit from operating activities (EBIT)	**1,329**	**1,380**	**619**	**654**
Net income from investments accounted for using the equity method	1	3	0	2
Other financial income	138	42	65	17
Other finance costs	−198	−204	−91	−103
Foreign currency result	−24	−15	−14	−11
Net other finance costs	−84	−177	−40	−97
Net finance costs	**−83**	**−174**	**−40**	**−95**
Profit before income taxes	**1,246**	**1,206**	**579**	**559**
Income taxes	−274	−193	−127	−70
Consolidated net profit for the period	**972**	**1,013**	**452**	**489**
attributable to Deutsche Post AG shareholders	920	963	422	461
attributable to non-controlling interests	52	50	30	28
Basic earnings per share (€)	**0.76**	**0.80**	**0.35**	**0.38**
Diluted earnings per share (€)	**0.73**	**0.77**	**0.33**	**0.37**

[1] Note 4.

30 STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 June

€m	H1 2013 adjusted[1]	H1 2014	Q2 2013 adjusted[1]	Q2 2014
Consolidated net profit for the period	**972**	**1,013**	**452**	**489**
Items that will not be reclassified to profit or loss				
Change due to remeasurements of net pension provisions	230	–1,169	546	–652
IFRS 3 revaluation reserve	–1	–1	–1	–1
Other changes in retained earnings	1	1	1	1
Income taxes relating to components of other comprehensive income	–57	60	–90	12
Share of other comprehensive income of investments accounted for using the equity method (after tax)	0	0	0	0
Total (after tax)	**173**	**–1,109**	**456**	**–640**
Items that may be subsequently reclassified to profit or loss				
IAS 39 revaluation reserve				
Changes from unrealised gains and losses	35	94	26	76
Changes from realised gains and losses	0	0	0	0
IAS 39 hedging reserve				
Changes from unrealised gains and losses	77	–60	79	–48
Changes from realised gains and losses	–13	–26	–6	–9
Currency translation reserve				
Changes from unrealised gains and losses	–219	29	–243	38
Changes from realised gains and losses	2	0	2	0
Income taxes relating to components of other comprehensive income	–18	15	–21	7
Share of other comprehensive income of investments accounted for using the equity method (after tax)	0	0	0	0
Total (after tax)	**–136**	**52**	**–163**	**64**
Other comprehensive income (after tax)	**37**	**–1,057**	**293**	**–576**
Total comprehensive income	**1,009**	**–44**	**745**	**–87**
attributable to Deutsche Post AG shareholders	958	–94	723	–118
attributable to non-controlling interests	51	50	22	31

[1] Note 4.

31 BALANCE SHEET

€m	1 Jan. 2013 adjusted[1]	31 Dec. 2013 adjusted[1]	30 June 2014
ASSETS			
Intangible assets	12,146	11,832	11,913
Property, plant and equipment	6,652	6,800	6,537
Investment property	43	33	29
Investments accounted for using the equity method	66	68	69
Non-current financial assets	1,038	1,123	1,270
Other non-current assets	301	187	119
Deferred tax assets	1,328	1,327	1,426
Non-current assets	**21,574**	**21,370**	**21,363**
Inventories	321	402	395
Current financial assets	252	821	150
Trade receivables	6,940	7,022	7,255
Other current assets	2,155	2,223	2,935
Income tax assets	127	167	195
Cash and cash equivalents	2,395	3,414	1,882
Assets held for sale	76	42	51
Current assets	**12,266**	**14,091**	**12,863**
Total ASSETS	**33,840**	**35,461**	**34,226**
EQUITY AND LIABILITIES			
Issued capital	1,209	1,209	1,210
Capital reserves	2,254	2,269	2,285
Other reserves	–474	–817	–766
Retained earnings	6,017	7,183	6,065
Equity attributable to Deutsche Post AG shareholders	9,006	9,844	8,794
Non-controlling interests	207	190	152
Equity	**9,213**	**10,034**	**8,946**
Provisions for pensions and similar obligations	5,216	5,016	6,071
Deferred tax liabilities	156	124	90
Other non-current provisions	1,954	1,589	1,598
Non-current provisions	7,326	6,729	7,759
Non-current financial liabilities	4,421	4,619	4,674
Other non-current liabilities	276	227	277
Non-current liabilities	4,697	4,846	4,951
Non-current provisions and liabilities	**12,023**	**11,575**	**12,710**
Current provisions	1,667	1,752	1,586
Current financial liabilities	410	1,335	573
Trade payables	5,960	6,358	5,711
Other current liabilities	4,003	3,978	4,231
Income tax liabilities	534	429	469
Liabilities associated with assets held for sale	30	0	0
Current liabilities	10,937	12,100	10,984
Current provisions and liabilities	**12,604**	**13,852**	**12,570**
Total EQUITY AND LIABILITIES	**33,840**	**35,461**	**34,226**

[1] Note 4.

32 CASH FLOW STATEMENT

1 January to 30 June

€m	H1 2013 adjusted[1]	H1 2014	Q2 2013 adjusted[1]	Q2 2014
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	920	963	422	461
Consolidated net profit for the period attributable to non-controlling interests	52	50	30	28
Income taxes	274	193	127	70
Net other finance costs	84	177	40	97
Net income from investments accounted for using the equity method	–1	–3	0	–2
Profit from operating activities (EBIT)	1,329	1,380	619	654
Depreciation, amortisation and impairment losses	653	736	333	415
Net income from disposal of non-current assets	–17	–10	1	–1
Non-cash income and expense	–10	12	–6	–3
Change in provisions	–225	–331	–60	–184
Change in other non-current assets and liabilities	–25	–5	–21	–18
Income taxes paid	–276	–260	–134	–134
Net cash from operating activities before changes in working capital	**1,429**	**1,522**	**732**	**729**
Changes in working capital				
Inventories	–35	11	–37	6
Receivables and other current assets	–762	–949	–53	–125
Liabilities and other items	–15	–18	–146	–127
Net cash from operating activities	**617**	**566**	**496**	**483**
Subsidiaries and other business units	30	0	13	0
Property, plant and equipment and intangible assets	85	72	38	25
Other non-current financial assets	11	35	9	19
Proceeds from disposal of non-current assets	126	107	60	44
Subsidiaries and other business units	–23	3	–24	3
Property, plant and equipment and intangible assets	–545	–708	–254	–260
Other non-current financial assets	–29	–45	–6	–5
Cash paid to acquire non-current assets	–597	–750	–284	–262
Interest received	27	27	9	10
Dividend received	12	1	12	0
Current financial assets	–21	593	–16	190
Net cash used in investing activities	**–453**	**–22**	**–219**	**–18**
Proceeds from issuance of non-current financial liabilities	2	9	0	1
Repayments of non-current financial liabilities	–26	–939	–5	–5
Change in current financial liabilities	340	117	20	74
Other financing activities	13	45	1	25
Proceeds from transactions with non-controlling interests	1	0	1	0
Cash paid for transactions with non-controlling interests	0	0	0	0
Dividend paid to Deutsche Post AG shareholders	–846	–968	–846	–968
Dividend paid to non-controlling interest holders	–10	–87	–9	–84
Purchase of treasury shares	–23	–45	0	–28
Proceeds from issuing shares or other equity instruments	4	17	4	0
Interest paid	–92	–101	–43	–53
Net cash used in financing activities	**–637**	**–1,952**	**–877**	**–1,038**
Net change in cash and cash equivalents	–473	–1,408	–600	–573
Effect of changes in exchange rates on cash and cash equivalents	–41	–124	–40	–115
Changes in cash and cash equivalents associated with assets held for sale	–2	0	21	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	2,395	3,414	2,498	2,570
Cash and cash equivalents at end of reporting period	**1,879**	**1,882**	**1,879**	**1,882**

[1] Note 4.

33 STATEMENT OF CHANGES IN EQUITY

1 January to 30 June

€m			Other reserves							
	Issued capital	Capital reserves	IFRS 3 revaluation reserve	IAS 39 revaluation reserve	IAS 39 hedging reserve	Currency translation reserve	Retained earnings	Equity attributable to Deutsche Post AG shareholders	Non-controlling interests	Total equity
Balance at 1 January 2013	1,209	2,254	3	–1	–7	–470	6,031	9,019	209	9,228
Adjustment[1]	0	0	0	0	0	1	–14	–13	–2	–15
Balance at 1 January 2013, adjusted	1,209	2,254	3	–1	–7	–469	6,017	9,006	207	9,213
Capital transactions with owner										
Dividend	0	0	0	0	0	0	–846	–846	–93	–939
Transactions with non-controlling interests	0	0	0	0	0	0	–2	–2	2	0
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	1	1
Issue of shares or other equity instruments	0	0	0	0	0	0	0	0	5	5
Purchase of treasury shares	–1	0	0	0	0	0	–22	–23	0	–23
Share Matching Scheme (issuance)	0	24	0	0	0	0	0	24	0	24
Share Matching Scheme (exercise)	1	–20	0	0	0	0	19	0	0	0
								–847	**–85**	**–932**
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	920	920	52	972
Currency translation differences	0	0	0	0	0	–217	0	–217	0	–217
Change due to remeasurements of net pension provisions	0	0	0	0	0	0	174	174	–1	173
Other changes	0	0	–1	35	46	0	1	81	0	81
								958	**51**	**1,009**
Balance at 30 June 2013	**1,209**	**2,258**	**2**	**34**	**39**	**–686**	**6,261**	**9,117**	**173**	**9,290**
Balance at 1 January 2014	1,209	2,269	2	68	37	–926	7,198	9,857	191	10,048
Adjustment[1]	0	0	0	0	0	2	–15	–13	–1	–14
Balance at 1 January 2014, adjusted	1,209	2,269	2	68	37	–924	7,183	9,844	190	10,034
Capital transactions with owner										
Dividend	0	0	0	0	0	0	–968	–968	–86	–1,054
Transactions with non-controlling interests	0	0	0	0	0	0	9	9	–9	0
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	2	2
Issue of shares or other equity instruments	1	16	0	0	0	0	0	17	5	22
Purchase of treasury shares	–2	0	0	0	0	0	–43	–45	0	–45
Share Matching Scheme (issuance)	0	31	0	0	0	0	0	31	0	31
Share Matching Scheme (exercise)	2	–31	0	0	0	0	29	0	0	0
								–956	**–88**	**–1,044**
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	963	963	50	1,013
Currency translation differences	0	0	0	0	0	29	0	29	0	29
Change due to remeasurements of net pension provisions	0	0	0	0	0	0	–1,109	–1,109	0	–1,109
Other changes	0	0	–1	84	–61	0	1	23	0	23
								–94	**50**	**–44**
Balance at 30 June 2014	**1,210**	**2,285**	**1**	**152**	**–24**	**–895**	**6,065**	**8,794**	**152**	**8,946**

[1] Note 4.

SELECTED EXPLANATORY NOTES

Company information

Deutsche Post AG is a listed corporation domiciled in Bonn, Germany. The condensed consolidated interim financial statements of Deutsche Post AG and its subsidiaries cover the period from 1 January to 30 June 2014 and have been reviewed.

BASIS OF PREPARATION

1 Basis of accounting

The accompanying condensed consolidated interim financial statements as at 30 June 2014 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 2014 are not necessarily an indication of how business will develop in the future.

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 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 2013. For further information on the accounting policies applied, please refer to the consolidated financial statements for the year ended 31 December 2013, on which these interim financial statements are based.

Newly applicable accounting standards

Departures from the accounting policies applied in financial year 2013 consist of the new or amended international accounting pronouncements under IFRSs required to be applied since financial year 2014.

IFRS 10 (Consolidated Financial Statements) including transitional provisions

This new standard introduces a uniform definition of control for all entities that are to be included in the consolidated financial statements. IFRS 10 supersedes IAS 27 (Consolidated and Separate Financial Statements) and SIC-12 (Consolidation – Special Purpose Entities). Special purpose entities previously consolidated in accordance with SIC-12 are now subject to IFRS 10. Application of the standard only resulted in insignificant changes; Note 2 "Consolidated group" and Note 4 "Adjustment of prior-period amounts".

IFRS 11 (Joint Arrangements) including transitional provisions

IFRS 11 supersedes IAS 31 (Interests in Joint Ventures) and abolishes the option to proportionately consolidate joint ventures. However, IFRS 11 will not require all entities that were previously subject to proportionate consolidation to be accounted for using the equity method. IFRS 11 provides a uniform definition of the term "joint arrangements" and distinguishes between joint operations and joint ventures. The interest in a joint operation is recognised on the basis of direct rights and obligations, whereas the interest in the profit or loss of a joint venture must be accounted for using the equity method. Application of the equity method to joint ventures will follow the requirements of the revised IAS 28 (Investments in Associates and Joint Ventures). The application of IFRS 11 only resulted in insignificant changes for the consolidated financial statements; Note 2 "Consolidated group" and Note 4 "Adjustment of prior-period amounts".

IFRS 12 (Disclosures of Interests in Other Entities) including transitional provisions

IFRS 12 combines the disclosure requirements for all interests in subsidiaries, joint ventures, associates and unconsolidated structured entities into a single standard. An entity is required to provide quantitative and qualitative disclosures about the types of risks and financial effects associated with the entity's interests in other entities. The disclosures required by IFRS 12 will be presented in the Notes to the consolidated financial statements for the year ending on 31 December 2014.

IAS 27 (Separate Financial Statements) (revised 2011)

The existing standard IAS 27 (Consolidated and Separate Financial Statements) was revised in conjunction with the new standards IFRS 10, IFRS 11 and IFRS 12 and renamed IAS 27 (Separate Financial Statements) (revised 2011). The revised standard now only contains requirements applicable to separate financial statements. The amendment does not affect the financial statements.

IAS 28 (Investments in Associates and Joint Ventures) (revised 2011)

The existing standard IAS 28 (Investments in Associates) was revised by the standards IFRS 10, IFRS 11 and IFRS 12 and renamed IAS 28 (Investments in Associates and Joint Ventures) (revised 2011). Its scope was extended to include accounting for joint ventures using the equity method. The previous requirements of SIC-13 (Jointly Controlled Entities – Non-Monetary Contributions by Venturers) are being incorporated into IAS 28. The amendment has no significant effect on the financial statements.

Amendments to IAS 32 (Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities)

These amendments have provided clarification on the conditions for offsetting financial assets and liabilities in the balance sheet. They have no significant effect on the presentation of the financial statements. In individual cases, additional disclosures are required.

Amendments to IAS 36 (Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets)

These amendments clarify that disclosures regarding the recoverable amount of non-financial assets are only required if an impairment loss has been recognised or reversed in the current reporting period. In addition, the disclosures required when the recoverable amount is determined based on fair value less costs of disposal have been amended. The standard was applied early in financial year 2013.

Amendments to IAS 39 (Novation of Derivatives and Continuation of Hedge Accounting)

Under this amendment, subject to certain conditions, novation of a hedging instrument to a central counterparty as a consequence of laws or regulations does not give rise to termination of a hedging relationship. The amendment has no significant effect on the presentation of the financial statements.

Detailed explanations on the newly applicable accounting standards can be found in the 2013 Annual Report, Note 5 "New developments in international accounting under IFRSs".

2 Consolidated group

The consolidated group includes all companies controlled by Deutsche Post AG. Control exists if Deutsche Post AG has decision-making powers, is exposed to, and has rights to, variable returns, and is able to use its decision-making powers to affect the amount of the variable returns.

The changes in the method of consolidation resulting from the application of IFRSs 10 and 11 have no significant effects on the Group's net assets, financial position and results of operations. The prior-period amounts have been adjusted accordingly. Relevant information can be found in Note 4 "Adjustment of prior-period amounts".

The Group companies are consolidated from the date on which Deutsche Post DHL is able to exercise control.

The companies listed in the table below are consolidated in addition to the parent company Deutsche Post AG.

Consolidated group

	31 Dec. 2013	Adjustments[1]	31 Dec. 2013 adjusted	30 June 2014
Number of fully consolidated companies (subsidiaries)				
German	88	–1	87	88
Foreign	707	–5	702	699
Number of proportionately consolidated joint ventures				
German	1	–1	0	0
Foreign	3	–3	0	0
Number of joint operations				
German	0	1	1	1
Foreign	0	1	1	1
Number of investments accounted for using the equity method				
German	0	1	1	1
Foreign	8	7	15	14

[1] Adjustments Note 4.

Acquisitions in the period up to 30 June 2014

Acquisitions, 2014

Name	Country	Segment	Equity interest %	Date of acquisition
DHL Global Forwarding & Co. LLC (DHL Oman), Muscat	Oman	GLOBAL FORWARDING, FREIGHT	40	7 May 2014

DHL Global Forwarding & Co. LLC (DHL Oman), Oman, which was previously accounted for using the equity method, has been consolidated since May 2014 due to contractual changes. No other acquisitions were made in the first half of 2014.

Insignificant acquisitions, 2014

€m 1 January to 30 June	Carrying amount	Adjustment	Fair value
ASSETS			
Non-current assets	0	–	0
Current assets	5	–	5
Cash and cash equivalents	4	–	4
	9	–	9
EQUITY AND LIABILITIES			
Current liabilities and provisions	4	–	4
	4	–	4
Net assets			**5**

The calculation of goodwill is presented in the following table:

Goodwill, 2014

€m	Fair value
Fair value of the existing equity interest	2
Less net assets	5
Difference	**–3**
Plus non-controlling interests[1]	3
Goodwill	**0**

[1] Non-controlling interests are recognised at their carrying amounts.

Payments amounting to less than €1 million were made for companies acquired in previous years.

Acquisitions in the period up to 30 June 2013

In the first half of 2013, Deutsche Post DHL acquired the following companies:

Acquisitions, 2013

Name	Country	Segment	Equity interest %	Date of acquisition
Compador Technologies GmbH, Berlin	Germany	PeP[1]	49	15 January 2013
optivo GmbH, Berlin	Germany	PeP[1]	100	28 June 2013

[1] Post - eCommerce - Parcel, previously the MAIL segment.

In January 2013, Deutsche Post DHL acquired 49% of the shares of Compador Technologies GmbH (Compador), Berlin, which specialises in the development and manufacture of sorting machines and software solutions. The company is consolidated because of existing potential voting rights. In addition, technical e-mail marketing provider optivo GmbH, Berlin, was acquired in June 2013. The company offers software and services to reach out to existing customers by automatically sending campaign e-mails.

Insignificant acquisitions, 2013

€m 1 January to 30 June	Carrying amount	Adjustment	Fair value
ASSETS			
Non-current assets	1	–	1
Current assets	3	–	3
Cash and cash equivalents	2	–	2
	6	–	6
EQUITY AND LIABILITIES			
Current liabilities and provisions	2	–	2
	2	–	2
Net assets			**4**

The calculation of goodwill is presented in the following table:

Goodwill, 2013

€m	Fair value
Cost	23
Less net assets	4
Difference	**19**
Plus non-controlling interests[1]	1
Goodwill	**20**

[1] Non-controlling interests are recognised at their carrying amounts.

The companies' contribution to consolidated revenue and consolidated EBIT was insignificant. In the period up to 30 June 2013, €21 million was paid for the companies acquired in financial year 2013 and €4 million for companies acquired in previous years.

Contingent consideration

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

Contingent consideration

Basis	Period for financial years from/to	Results range from/to	Fair value of total obligation	Remaining payment obligation at 31 Dec. 2013	Remaining payment obligation at 30 June 2014
Revenue and EBITDA[1]	2011 to 2013	€0 to €3 million	€0 million	€1 million	€0 million
Revenue and sales margin	2012 to 2014	€0 to €9 million	€3 million	€1 million	€1 million

[1] Change in the fair value of the total and remaining payment obligation due to differences between actual and estimated amounts.

Disposal and deconsolidation effects in the period up to 30 June 2014

There were no disposal and deconsolidation effects in the first half of 2014.

Disposal and deconsolidation effects in the period up to 30 June 2013

EXPRESS SEGMENT

The sale of the Romanian domestic express business of Cargus International S.R.L. was completed in the first quarter of 2013. In accordance with IFRS 5, the assets and liabilities had previously been reclassified to assets held for sale and liabilities associated with assets held for sale. The most recent measurement of the assets prior to their reclassification did not indicate any impairment.

SUPPLY CHAIN SEGMENT

Deutsche Post DHL completed the sale of the fashion logistics business of DHL Fashion (France) SAS, France, in April 2013. The most recent measurement of the assets prior to their reclassification to assets held for sale and liabilities associated with assets held for sale resulted in an impairment loss of €1 million in 2012, which was reported in depreciation, amortisation and impairment losses.

In addition, ITG GmbH Internationale Spedition und Logistik, Germany, was sold together with its subsidiaries in June 2013. In accordance with IFRS 5, the assets and liabilities were reclassified to assets held for sale and liabilities associated with assets held for sale. The most recent measurement of the assets prior to their reclassification did not indicate any impairment.

The sale of US company Exel Direct Inc. including its Canadian branch was completed in May 2013. The most recent measurement of the assets prior to their reclassification to assets held for sale and liabilities associated with assets held for sale did not indicate any impairment.

US warehousing specialist Llano Logistics Inc. was sold and deconsolidated in May 2013. Since all of the amounts involved were lower than €1 million, they are not shown in the table below.

Disposal and deconsolidation effects, 2013

€m 1 January to 30 June	Cargus International	DHL Fashion (France)	ITG Group	Exel Direct	Total
Non-current assets	6	0	14	6	26
Current assets	3	12	30	14	59
Cash and cash equivalents	2	23	4	1	30
ASSETS	11	35	48	21	115
Current provisions and liabilities	4	12	37	10	63
EQUITY AND LIABILITIES	4	12	37	10	63
Net assets	7	23	11	11	52
Total consideration received	19	0	18	23	60
Losses from the currency translation reserve	0	0	0	–2	–2
Deconsolidation gain (+)/loss (–)	12	–23	7	10	6

Gains are shown under other operating income; losses are reported under other operating expenses.

3 Significant transactions

Deutsche Post AG increased its capital in March 2014 by issuing new shares. The same number of shares was then repurchased from the market to service the share-based payment system; Note 14.

There were no other significant transactions to report in the first half of 2014.

4 Adjustment of prior-period amounts

As the amended IFRSs 10 and 11 came into force on 1 January 2014 and were applied retrospectively, the prior-period amounts of the relevant balance sheet and income statement items were adjusted accordingly. During this transition process, further insignificant adjustments were made to the inclusion method and the equity interest included.

The investments in associates balance sheet item was renamed investments accounted for using the equity method as it now also includes the joint ventures to be accounted for using the equity method. Accordingly, the net income from associates item in the income statement was changed to net income from investments accounted for using the equity method.

Details on the adjustment of prior-period amounts in the segment reporting can be found in Note 16. They relate exclusively to reallocations between the segments. The reclassification had no effect on the consolidated amounts.

Balance sheet adjustments at 1 January 2013 and 31 December 2013

€m	1 Jan. 2013	Adjustment	1 Jan. 2013 adjusted	31 Dec. 2013	Adjustment	31 Dec. 2013 adjusted
ASSETS						
Intangible assets	12,151	–5	**12,146**	11,836	–4	**11,832**
Property, plant and equipment	6,663	–11	**6,652**	6,814	–14	**6,800**
Investments in associates	46	–46	**–**	48	–48	**–**
Investments accounted for using the equity method	–	66	**66**	–	68	**68**
Non-current financial assets	1,039	–1	**1,038**	1,124	–1	**1,123**
Other non-current assets	298	3	**301**	184	3	**187**
Inventories	322	–1	**321**	403	–1	**402**
Trade receivables	6,959	–19	**6,940**	7,040	–18	**7,022**
Other current assets	2,153	2	**2,155**	2,221	2	**2,223**
Income tax assets	127	0	**127**	168	–1	**167**
Cash and cash equivalents	2,400	–5	**2,395**	3,417	–3	**3,414**
Total ASSETS	**33,857**	**–17**	**33,840**	**35,478**	**–17**	**35,461**
EQUITY AND LIABILITIES						
Other reserves	–475	1	**–474**	–819	2	**–817**
Retained earnings	6,031	–14	**6,017**	7,198	–15	**7,183**
Non-controlling interests	209	–2	**207**	191	–1	**190**
Provisions for pensions and similar obligations	5,216	0	**5,216**	5,017	–1	**5,016**
Other non-current provisions	1,943	11	**1,954**	1,574	15	**1,589**
Non-current financial liabilities	4,413	8	**4,421**	4,612	7	**4,619**
Current provisions	1,663	4	**1,667**	1,745	7	**1,752**
Current financial liabilities	403	7	**410**	1,328	7	**1,335**
Trade payables	5,991	–31	**5,960**	6,392	–34	**6,358**
Other current liabilities	4,004	–1	**4,003**	3,981	–3	**3,978**
Income tax liabilities	534	0	**534**	430	–1	**429**
Total EQUITY AND LIABILITIES	**33,857**	**–17**	**33,840**	**35,478**	**–17**	**35,461**

Income statement adjustments 1 January to 30 June 2013

€m	H1 2013	Adjustment	H1 2013 adjusted
Revenue	27,093	–85	**27,008**
Materials expense	–15,239	84	**–15,155**
Staff costs	–8,994	4	**–8,990**
Depreciation, amortisation and impairment losses	–655	2	**–653**
Other operating expenses	–1,805	–6	**–1,811**
Profit from operating activities (EBIT)	1,330	–1	**1,329**
Net income from associates	0	–	**–**
Net income from investments accounted for using the equity method	–	1	**1**
Net other finance costs	–83	–1	**–84**
Profit before income taxes	1,247	–1	**1,246**
Consolidated net profit for the period	973	–1	**972**
attributable to non-controlling interests	53	–1	**52**

INCOME STATEMENT DISCLOSURES

5 Other operating income

€m	H1 2013	H1 2014
Income from the reversal of provisions	134	200
Insurance income	97	92
Income from fees and reimbursements	60	68
Commission income	58	68
Rental and lease income	67	62
Income from currency translation differences	71	52
Reversals of impairment losses on receivables and other assets	40	47
Income from work performed and capitalised	38	47
Income from derivatives	23	42
Income from the remeasurement of liabilities	45	38
Gains on disposal of non-current assets	56	30
Income from prior-period billings	34	17
Income from the derecognition of liabilities	7	16
Income from loss compensation	11	12
Recoveries on receivables previously written off	8	4
Subsidies	3	4
Miscellaneous	178	137
Total	**930**	**936**

Income from the reversal of provisions increased mainly because of a change in the assessment of settlement payment obligations assumed in the context of the restructuring measures in the USA. The probability that this obligation will occur has declined to the point where the provision was reversed and the potential obligation disclosed as a contingent liability in the amount of €115 million.

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

6 Depreciation, amortisation and impairment losses

€m	H1 2013[1]	H1 2014
Depreciation, amortisation and impairment losses	653	736

[1] Prior-period amounts adjusted Note 4.

Depreciation, amortisation and impairment losses include impairment losses of €105 million (previous year: €11 million) to be allocated to the segments as follows:

Impairment losses

€m	H1 2013	H1 2014
EXPRESS		
Property, plant and equipment	9	104
SUPPY CHAIN		
Property, plant and equipment	0	1
Corporate Center/Other		
Software	2	0
Impairment losses	**11**	**105**

As in the previous year, the impairment losses in the EXPRESS segment resulted exclusively from aircraft and aircraft parts; see also Note 13.

7 Other operating expenses

€m	H1 2013[1]	H1 2014
Cost of purchased cleaning, transport and security services	160	157
Expenses for advertising and public relations	139	155
Travel and training costs	151	150
Insurance costs	139	129
Warranty expenses, refunds and compensation payments	148	124
Other business taxes	107	117
Telecommunication costs	108	105
Write-downs of current assets	75	101
Office supplies	87	85
Consulting costs (including tax advice)	83	66
Entertainment and corporate hospitality expenses	66	64
Expenses from currency translation differences	68	46
Contributions and fees	44	42
Customs clearance-related charges	36	41
Voluntary social benefits	42	39
Services provided by the Bundesanstalt für Post und Telekommunikation (German federal post and telecommunications agency)	35	37
Legal costs	29	33
Commissions paid	34	31
Losses on disposal of assets	37	20
Monetary transaction costs	21	19
Expenses from derivatives	13	15
Audit costs	13	13
Donations	10	11
Prior-period other operating expenses	11	6
Miscellaneous	155	190
Total	**1,811**	**1,796**

[1] Prior-period amounts adjusted Note 4.

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

8 Net income from investments accounted for using the equity method

€m	H1 2013[1]	H1 2014
Net income from associates	1	3
Net income from joint ventures	0	0
Net income from investments accounted for using the equity method	**1**	**3**

[1] Prior-period amounts adjusted Note 4.

Investments accounted for using the equity method contributed €3 million (previous year, adjusted: €1 million) to net finance costs.

9 Net other finance costs

€m	H1 2013[1]	H1 2014
Other financial income	138	42
Other finance costs	–198	–204
Foreign currency result	–24	–15
Net other finance costs	**–84**	**–177**

[1] Prior-period amounts adjusted Note 4.

The €–93 million change in net other finance costs to €–177 million is largely due to the inclusion of interest income from the reversal of a provision for interest on tax liabilities in the prior-year figure.

10 Earnings per share

Basic earnings per share in the reporting period were €0.80.

Basic earnings per share

		H1 2013	H1 2014
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	920	963
Weighted average number of shares outstanding	shares	1,208,805,041	1,209,343,037
Basic earnings per share	€	**0.76**	**0.80**

To compute diluted earnings per share, the average number of shares outstanding is adjusted for the number of all potentially dilutive shares. This item includes the executives' rights to shares under the Share Matching Scheme (as at 30 June 2014: 5,949,452 shares) and the maximum number of ordinary shares that can be issued on exercise of the conversion rights under the convertible bond issued on 6 December 2012. Consolidated net profit for the period attributable to Deutsche Post AG shareholders was increased by the amounts spent for the convertible bond.

Diluted earnings per share in the reporting period were €0.77.

Diluted earnings per share

		H1 2013	H1 2014
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	920	963
Plus interest expense on convertible bond	€m	3	3
Less income taxes	€m	0[1]	0[1]
Adjusted consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	923	966
Weighted average number of shares outstanding	shares	1,208,805,041	1,209,343,037
Potentially dilutive shares	shares	51,975,574	52,249,222
Weighted average number of shares for diluted earnings	shares	1,260,780,615	1,261,592,259
Diluted earnings per share	€	**0.73**	**0.77**

[1] Rounded below €1 million.

BALANCE SHEET DISCLOSURES

11 Intangible assets and property, plant and equipment

Investments in intangible assets and property, plant and equipment amounted to €511 million in the period up to 30 June 2014 (previous year, adjusted: €495 million). Of this figure, €116 million (previous year: €76 million) was attributable to intangible assets (not including goodwill). Investments in property, plant and equipment are shown in the following table:

Investments in property, plant and equipment

€m	30 June 2013[1]	30 June 2014
Property, plant and equipment		
Land and buildings (incl. leasehold improvements)	21	29
Technical equipment and machinery	35	27
Transport equipment	67	60
Aircraft	13	15
IT equipment	37	27
Other operating and office equipment	41	21
Advance payments and assets under development	205	216
Total	**419**	**395**

[1] Prior-period amounts adjusted Note 4.

Goodwill changed as follows in the reporting period:

Change in goodwill

€m	2013[1]	2014
Cost		
Balance at 1 January	12,056	11,770
Additions from business combinations	31	0
Disposals	–22	–1
Currency translation differences	–295	99
Balance at 31 December/30 June	**11,770**	**11,868**
Depreciation, amortisation and impairment losses		
Balance at 1 January	1,138	1,097
Disposals	–5	0
Currency translation differences	–36	14
Balance at 31 December/30 June	**1,097**	**1,111**
Carrying amount at 31 December/30 June	**10,673**	**10,757**

[1] Prior-period amounts adjusted Note 4.

The change in goodwill is primarily due to currency translation differences.

12 Investments accounted for using the equity method

€m	Associates		Joint ventures		Total	
	2013[1]	2014	2013[1]	2014	2013[1]	2014
At 1 January	60	62	6	6	66	68
Disposals	0	–2	0	0	0	–2
Changes in Group's share of equity						
Changes recognised in profit or loss	5	3	0	0	5	3
Profit distributions	–2	0	0	0	–2	0
Changes recognised in other comprehensive income	–1	0	0	0	–1	0
Carrying amount at 31 December/30 June	**62**	**63**	**6**	**6**	**68**	**69**

[1] Prior-period amounts adjusted Note 4.

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

€m	Assets		Liabilities	
	31 Dec. 2013	30 June 2014	31 Dec. 2013	30 June 2014
Deutsche Post DHL Corporate Real Estate Management GmbH & Co. Logistikzentren KG, Germany – real estate (Corporate Center/Other)	20	20	0	0
Deutsche Post AG – real estate (Corporate Center/Other)	20	15	0	0
DHL Supply Chain Limited, UK – real estate (SUPPLY CHAIN segment)	0	13	0	0
Exel Inc., USA – real estate (SUPPLY CHAIN segment)	2	2	0	0
Hull Blyth, (Angola) Ltd., Angola (GLOBAL FORWARDING, FREIGHT segment)	0	1	0	0
DHL Aviation (Netherlands) B.V., the Netherlands – aircraft (EXPRESS segment)	0	0	0	0
Assets held for sale and liabilities associated with assets held for sale	**42**	**51**	**0**	**0**

DEUTSCHE POST DHL CORPORATE REAL ESTATE MANAGEMENT GMBH & CO. LOGISTIKZENTREN KG

The company plans to sell a property in Hamburg. The assets and liabilities were reclassified as held for sale in accordance with IFRS 5. The most recent appraisal of the assets prior to reclassification did not indicate any impairment.

DEUTSCHE POST AG

Deutsche Post AG plans to sell two properties. The most recent appraisal of the assets prior to reclassification did not indicate any impairment.

DHL SUPPLY CHAIN LIMITED

DHL Supply Chain Limited acquired a building in the UK with the intention of selling it again. Consequently, the building is reported under assets held for sale.

EXEL INC.

The company plans to sell two commercial buildings and an industrial site in Pennsylvania, USA. The most recent appraisal of the assets prior to reclassification did not indicate any impairment.

HULL BLYTH (ANGOLA) LTD.

Hull Blyth (Angola) Ltd. plans to sell activities not forming part of their core business including the related non-current assets in the amount of €1 million. The assets were reclassified in accordance with IFRS 5. The most recent measurement prior to reclassification did not indicate any impairment.

DHL AVIATION (NETHERLANDS) B.V.

As part of early fleet renewal activities, DHL Aviation (Netherlands) B.V. plans to reduce its legacy aircraft fleet by 11 aircraft. The most recent measurement prior to reclassification led to an impairment loss of €102 million.

14 Issued capital and purchase of treasury shares

KfW Bankengruppe (KfW) held a 21% interest in the share capital of Deutsche Post AG as at 30 June 2014. The remaining 79% of the shares are in free float.

KfW holds the shares in trust for the federal government.

Issued capital

€	2013	2014
Balance at 1 January	1,209,015,874	1,209,015,874
Addition due to capital increase	0	656,915
Treasury shares acquired	–1,313,727	–1,641,677
Treasury shares issued	1,313,727	1,641,677
Balance at 31 December/30 June	**1,209,015,874**	**1,209,672,789**

The Board of Management resolved, with the consent of the Supervisory Board, to make partial use of the authorisation granted to it by the Annual General Meeting of 29 May 2013 in accordance with Article 5 (2) of the Articles of Association (Authorised Capital 2013), to increase Deutsche Post AG's share capital by €656,915.00 by issuing 656,915 new no-par value registered shares with a notional interest in the share capital of €1.00 per share in exchange for cash contributions. The capital increase was entered in the commercial register of the Bonn Local Court on 12 March 2014. The shares participate in the consolidated net profit for 2013.

To service the 2009 tranche of the Share Matching Scheme, see also Note 17, the same number of shares was repurchased on the market. The shares were repurchased for a total of €17 million. The average purchase price per share was €25.83.

The treasury shares were acquired in April 2014 for a total of €28 million to service the 2013 tranche of the Share Matching Scheme. The average purchase price per share was €28.10. The issued capital increased again when the shares were issued to the executives in April 2014.

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	2013[1]	2014
Balance at 1 January	6,017	7,183
Dividend payment	–846	–968
Consolidated net profit for the period	2,091	963
Change due to remeasurements of net pension provisions	–15	–1,109
Transactions with non-controlling interests	–62	9
Miscellaneous other changes	–2	–13
Balance at 31 December/30 June	**7,183**	**6,065**

[1] Prior-period amounts adjusted Note 4.

The dividend payment to Deutsche Post AG shareholders of €968 million was made in May 2014. This corresponds to a dividend of €0.80 per share.

The transactions with non-controlling interests reported in the previous year included an option to acquire the remaining 40% interest in Giorgio Gori Group, Italy, and the acquisition of the remaining 49.9% interest in Tradeteam Limited, UK.

SEGMENT REPORTING

16 Segment reporting

Segments by division

€m	PeP		EXPRESS		GLOBAL FORWARDING, FREIGHT		SUPPLY CHAIN		Corporate Center/ Other		Consolidation		Group	
1 Jan. to 30 June	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013	2014	2013[1]	2014	2013[1]	2014
External revenue	7,397	7,534	5,651	5,787	6,973	6,822	6,958	7,082	29	39	0	0	**27,008**	**27,264**
Internal revenue	68	68	177	181	338	339	51	42	567	578	–1,201	–1,208	**0**	**0**
Total revenue	7,465	7,602	5,828	5,968	7,311	7,161	7,009	7,124	596	617	–1,201	–1,208	**27,008**	**27,264**
Profit/loss from operating activities (EBIT)	635	585	523	607	214	149	162	193	–205	–154	0	0	**1,329**	**1,380**
Net income from investments accounted for using the equity method	0	0	0	0	0	2	1	1	0	0	0	0	**1**	**3**
Segment assets[2]	5,204	5,352	8,246	8,268	7,587	7,921	5,968	6,241	1,491	1,597	–118	–157	**28,378**	**29,222**
Investments accounted for using the equity method[2]	6	6	40	41	21	21	1	1	0	0	0	0	**68**	**69**
Segment liabilities[2,3]	2,645	2,624	2,763	2,537	2,916	2,882	2,900	2,772	845	913	–123	–127	**11,946**	**11,601**
Capex	120	100	155	124	42	82	108	127	70	78	0	0	**495**	**511**
Depreciation and amortisation	178	177	179	178	46	43	138	127	101	106	0	0	**642**	**631**
Impairment losses	0	0	9	104	0	0	0	1	2	0	0	0	**11**	**105**
Total depreciation, amortisation and impairment losses	178	177	188	282	46	43	138	128	103	106	0	0	**653**	**736**
Other non-cash expenses	92	93	106	94	35	42	84	41	39	40	0	0	**356**	**310**
Employees[4]	164,537	161,897	70,462	71,811	43,588	43,708	143,724	147,776	12,907	12,693	0	0	**435,218**	**437,885**
Q2														
External revenue	3,608	3,609	2,929	2,999	3,541	3,471	3,511	3,597	16	19	0	0	**13,605**	**13,695**
Internal revenue	34	33	86	90	168	167	26	21	291	294	–605	–605	**0**	**0**
Total revenue	3,642	3,642	3,015	3,089	3,709	3,638	3,537	3,618	307	313	–605	–605	**13,605**	**13,695**
Profit/loss from operating activities (EBIT)	238	188	282	332	127	100	79	109	–107	–74	0	–1	**619**	**654**
Net income from investments accounted for using the equity method	0	0	0	0	0	2	0	0	0	0	0	0	**0**	**2**
Capex	71	62	81	85	23	60	61	62	44	66	0	0	**280**	**335**
Depreciation and amortisation	91	84	90	89	23	21	68	63	50	53	0	0	**322**	**310**
Impairment losses	0	0	9	104	0	0	0	1	2	0	0	0	**11**	**105**
Total depreciation, amortisation and impairment losses	91	84	99	193	23	21	68	64	52	53	0	0	**333**	**415**
Other non-cash expenses	65	46	69	51	20	21	56	20	23	16	0	0	**233**	**154**

[1] Prior-period amounts adjusted Note 4 and details in Note 16.
[2] As at 31 December 2013 and 30 June 2014.
[3] Including non-interest-bearing provisions.
[4] Average FTEs; prior-period amount corresponds to that of financial year 2013.

Information about geographical areas

€m	Germany		Europe (excluding Germany)		Americas		Asia Pacific		Other regions		Group	
1 Jan. to 30 June	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014
External revenue	8,318	8,422	8,640	8,954	4,767	4,537	4,146	4,264	1,137	1,087	**27,008**	**27,264**
Non-current assets[2]	5,129	5,089	7,015	6,868	3,226	3,226	3,024	3,025	332	335	**18,726**	**18,543**
Capex	293	283	63	106	66	71	59	33	14	18	**495**	**511**
Q2												
External revenue	4,073	4,058	4,376	4,542	2,426	2,320	2,157	2,218	573	557	**13,605**	**13,695**
Capex	168	207	32	58	38	38	37	21	5	11	**280**	**335**

[1] Prior-period amounts adjusted Note 4 and details in Note 16.
[2] As at 31 December 2013 and 30 June 2014.

The MAIL division was renamed Post - eCommerce - Parcel (PeP) as part of the Group's ongoing strategic development.

ADJUSTMENT OF PRIOR-PERIOD AMOUNTS

Prior-period amounts were adjusted due to the initial application of IFRSs 10 and 11 (Note 4) and the reallocation of companies between the segments in the first and second quarters of 2014. The domestic parcel business in Belgium, the Czech Republic, India, the Netherlands and Poland was consolidated in the PeP division effective 1 January 2014. This business was previously part of the EXPRESS and GLOBAL FORWARDING, FREIGHT divisions. In addition, the US company Sky Courier Inc. was reallocated from the EXPRESS division to the GLOBAL FORWARDING, FREIGHT division.

The prior-period amounts have been adjusted accordingly.

SEGMENT REPORTING DISCLOSURES

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.

As part of the central management of currency risk, fluctuations between projected and actual exchange rates are fully or partially absorbed centrally by Corporate Treasury on the basis of division-specific agreements.

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 profitability of the Group's operating divisions is measured as profit from operating activities (EBIT).

The main geographical areas in which the Group is active are Germany, Europe (excluding Germany), the Americas, Asia Pacific and Other regions. External revenue, non-current assets and capital expenditure (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.

Reconciliation

€m	H1 2013[1]	H1 2014
Total income of reportable segments	1,534	1,534
Corporate Center/Other	−205	−154
Reconciliation to Group/Consolidation	0	0
Profit from operating activities (EBIT)	**1,329**	**1,380**
Net finance costs	**−83**	**−174**
Profit before income taxes	**1,246**	**1,206**
Income taxes	−274	−193
Consolidated net profit for the period	**972**	**1,013**

[1] Prior-period amounts adjusted Note 4.

OTHER DISCLOSURES

17 Share-based payment

Under the share-based payment system for executives (Share Matching Scheme), certain executives receive part of their variable remuneration in the form of shares of Deutsche Post AG. More detailed information is contained in the 2013 Annual Report, Note 54.

Share Matching Scheme

		2009 tranche	2010 tranche	2011 tranche	2012 tranche	2013 tranche	2014 tranche
Grant date of incentive shares and associated matching shares		1 Nov. 2009	1 Jan. 2010	1 Jan. 2011	1 Jan. 2012	1 Jan. 2013	1 Jan. 2014
Grant date of matching shares awarded for investment shares		1 April 2010	1 April 2011	1 April 2012	1 April 2013	1 April 2014	1 April 2015
Term	months	53	63	63	63	63	63
End of term		March 2014	March 2015	March 2016	March 2017	March 2018	March 2019
Share price at grant date (fair value)							
Incentive shares and associated matching shares	€	11.48	13.98	12.90	12.13	17.02	25.91
Matching shares awarded for investment shares	€	13.03	12.91	14.83	18.22	27.18	28.50[1]

[1] Estimated provisional amount, will be determined on 1 April 2015.

The matching shares from the 2009 tranche were issued to executives on 1 April 2014. For this purpose, shares were issued by Deutsche Post AG by means of a capital increase and repurchased on the market in March 2014; Note 14.

The sum of €47 million was transferred to the capital reserves in the period up to 30 June 2014. Of this amount, €31 million was attributable to the Share Matching Scheme (31 December 2013: €35 million) and €16 million to the capital increase; Note 14.

Capital reserves

€m	2013	2014
Balance at 1 January	2,254	2,269
Addition/issue of rights under Share Matching Scheme		
2009 tranche	1	1
2010 tranche	3	2
2011 tranche	4	2
2012 tranche	17	2
2013 tranche	10	19
2014 tranche	0	5
Exercise of rights under Share Matching Scheme		
2009 tranche – matching shares	0	–8
2012 tranche – investment and incentive shares	–20	0
2013 tranche – investment and incentive shares	0	–23
Total for Share Matching Scheme	15	0
Capital increase	0	16
Balance at 31 December/30 June	**2,269**	**2,285**

The SAR provisions for the other share-based payment systems for executives amounted to €345 million as at 30 June 2014 (31 December 2013: €278 million).

18 Disclosures on financial instruments

The following table presents the financial instruments recognised at fair value and those financial instruments whose fair value is required to be disclosed; the financial instruments are presented by the level in the fair value hierarchy to which they are assigned.

The simplification option under IFRS 7.29a was exercised for cash and cash equivalents, trade receivables, other assets, trade payables and other liabilities with predominantly short maturities. Their carrying amounts as at the reporting date are approximately equivalent to their fair values. Not included are financial investments in equity instruments for which there is no quoted price in an active market and which therefore have to be measured at cost.

Financial assets and liabilities

€m Class	Level 1[1]	Level 2[2]	Level 3[3]	Total
30 June 2014				
Financial assets				
Non-current financial assets	213	833	128	**1,174**
Current financial assets	12	66	0	**78**
Total	**225**	**899**	**128**	**1,252**
Financial liabilities				
Non-current financial liabilities	4,821	484	0	**5,305**
Current financial liabilities	0	61	1	**62**
Total	**4,821**	**545**	**1**	**5,367**
31 December 2013[4]				
Financial assets				
Non-current financial assets	157	765	93	**1,015**
Current financial assets	611	140	0	**751**
Total	**768**	**905**	**93**	**1,766**
Financial liabilities				
Non-current financial liabilities	4,221	455	0	**4,676**
Current financial liabilities	927	27	2	**956**
Total	**5,148**	**482**	**2**	**5,632**

[1] Quoted prices for identical instruments in active markets.
[2] Inputs other than quoted prices that are directly or indirectly observable for instruments.
[3] Inputs not based on observable market data.
[4] Prior-period amounts adjusted Note 4. Current financial instruments measured at cost were not included.

Level 1 mainly comprises equity instruments measured at fair value and debt instruments measured at amortised cost.

In addition to financial assets and financial liabilities measured at amortised cost, commodity, interest rate and currency derivatives are reported under Level 2. The fair values of the derivatives are measured on the basis of discounted expected future cash flows, taking into account forward rates for currencies, interest rates and commodities (market approach). For this purpose, price quotations observable on the market (exchange rates, interest rates and commodity prices) are imported from information platforms customary in the market into the treasury management system. The price quotations reflect actual transactions involving similar instruments on an active market. Any currency options used are measured using the Black-Scholes option pricing model. All significant inputs used to measure derivatives are observable on the market.

Level 3 mainly comprises the fair values of equity investments and derivatives associated with M&A transactions. These options are measured using recognised valuation models, taking plausible assumptions into account. The fair values of the derivatives depend largely on financial ratios. Financial ratios strongly influence the fair values of assets and liabilities. Increasing financial ratios lead to higher fair values, whilst decreasing financial ratios result in lower fair values.

No financial instruments have been transferred between levels in the current financial year.

The table below shows the effect on net gains and losses of the financial instruments categorised within Level 3 as at 30 June 2014:

Unobservable inputs (Level 3)

€m	1 Jan. 2014	Gains and losses (recognised in profit and loss)[1]	Gains and losses (recognised in OCI)[2]	Additions	Disposals	30 June 2014
Assets						
Equity instruments	93	0	49	0	–14	**128**
Liabilities						
Debt instruments	0	0	0	0	0	**0**
Derivatives						
Equity derivatives	2	–1	0	0	0	**1**
	1 Jan. 2013					31 Dec. 2013
Assets						
Equity instruments	28	0	41	24	0	**93**
Liabilities						
Debt instruments	1	–1	0	0	0	**0**
Derivatives						
Equity derivatives	48	–43	0	0	–3	**2**

[1] Fair value losses were recognised in other finance costs.
[2] Unrealised gains were recognised in the IAS 39 revaluation reserve.

Available-for-sale financial assets include shares in partnerships and corporations in the amount of €95 million (previous year: €97 million). There is no active market for these instruments. As no future cash flows can be reliably determined, the fair values cannot be determined using valuation techniques. There are no plans to sell or derecognise significant shares classified as available-for-sale financial assets recognised as at 30 June 2014 in the near future. As in the previous year, no significant shares in partnerships and corporations that are measured at cost have been sold in the current financial year.

The following tables show the impact of netting agreements based on master netting arrangements or similar agreements on the presentation of financial assets and financial liabilities as at the reporting date:

Offsetting – assets

€m				Financial assets and liabilities not set off in the balance sheet		
	Gross amount of financial assets recognised at the reporting date	Gross amount of financial liabilities set off	Net amount of financial assets set off in the balance sheet	Financial liabilities subject to a legally enforceable netting agreement that do not meet offsetting criteria	Collateral received	Total
Assets at 30 June 2014						
Derivative financial assets[1]	103	0	103	75	0	**28**
Trade receivables	7,395	140	7,255	0	0	**7,255**
Assets at 31 December 2013[2]						
Derivative financial assets[1]	156	0	156	38	0	**118**
Trade receivables	7,189	167	7,022	0	0	**7,022**

[1] Excluding derivatives from M&A transactions.
[2] Prior-period amounts adjusted Note 4.

Offsetting – liabilities

€m	Gross amount of financial liabilities recognised at the reporting date	Gross amount of financial assets set off	Net amount of financial liabilities set off in the balance sheet	Financial assets and liabilities not set off in the balance sheet: Financial assets subject to a legally enforceable netting agreement that do not meet offsetting criteria	Financial assets and liabilities not set off in the balance sheet: Collateral provided	Total
Liabilities at 30 June 2014						
Derivative financial liabilities[1]	75	0	75	75	0	**0**
Trade payables	5,851	140	5,711	0	0	**5,711**
Liabilities at 31 December 2013[2]						
Derivative financial liabilities[1]	38	0	38	38	0	**0**
Trade payables	6,525	167	6,358	0	0	**6,358**

[1] Excluding derivatives from M&A transactions.
[2] Prior-period amounts adjusted Note 4.

Financial assets and liabilities are set off on the basis of netting agreements (master netting arrangements) only if an enforceable right of set-off exists and settlement on a net basis is intended as at the reporting date. If the right of set-off is not enforceable in the normal course of business, the financial assets and liabilities are recognised in the balance sheet at their gross amounts as at the reporting date. The master netting arrangement creates a conditional right of set-off that can only be enforced by taking legal action.

To hedge cash flow and fair value risks, Deutsche Post AG enters into financial derivative transactions with a large number of financial services institutions. These contracts are subject to a standardised master agreement for financial derivative transactions. The agreement provides for a conditional right of set-off, resulting in the recognition of the gross amount of the financial derivative transactions at the reporting date. The conditional right of set-off is presented in the table.

Settlement processes arising from services related to postal deliveries are subject to the Universal Postal Convention and the REIMS Agreement. These agreements, particularly the settlement conditions, are binding on all public postal operators for the specified contractual arrangements. Imports and exports between two parties to the agreement during a calendar year are offset in an annual statement of account and presented on a net basis in the final annual statement. Receivables and payables covered by the Universal Postal Convention and the REIMS Agreement are presented on a net basis at the reporting date. The tables above show the receivables and payables before and after offsetting.

19 Contingent liabilities and other financial obligations

Details on the changes in the Group's contingent liabilities can be found in Note 5. Further information can be found in the 2013 Annual Report, Note 51. The other financial obligations increased, mainly as a result of aircraft lease obligations in connection with a new contract concluded between Deutsche Post DHL and Southern Air.

20 Related party disclosures

Bruce Edwards stepped down from the Board of Management and his position as Chief Executive Officer of DHL Supply Chain at the end of 10 March 2014. John Gilbert was appointed as the new member of the Board of Management responsible for the DHL Supply Chain division starting on 11 March 2014. Bruce Edwards will continue to act in an advisory capacity for the company until his retirement on 30 September 2014. Angela Titzrath resigned from the Board of Management effective 2 July 2014. Pending the appointment of a new Board Member for Human Resources, Chief Executive Officer Dr Frank Appel will take on the corresponding responsibilities in a dual role. There were no other significant changes in related party disclosures as against 31 December 2013; 2013 Annual Report, Note 55.

21 Other disclosures

The company's business in Venezuela is subject to exchange controls. The Venezuelan currency, the bolívar fuerte, is not freely convertible. In March 2014, a new exchange rate system known as SICAD II (Sistema Complementario de Administración de Divisas) was introduced and the state-set exchange rate adjusted. Deutsche Post DHL uses this system and modified the conversion rate on this basis. Due to currency effects, the cash and cash equivalents of the companies affected thus decreased by €130 million to €21 million as at the reporting date. In addition, non-current assets declined by €27 million, other current assets by €56 million and current provisions and liabilities by €103 million as a result. The corresponding contra entries are included in the currency translation reserve in equity.

22 Events after the reporting date

There were no 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 in accordance with German accepted accounting principles, 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, 4 August 2014

Deutsche Post AG
The Board of Management

Dr Frank Appel   Ken Allen

Roger Crook   Jürgen Gerdes

John Gilbert   Lawrence Rosen

REVIEW REPORT

To Deutsche Post AG

We have reviewed the condensed consolidated interim financial statements – comprising the income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Post AG, Bonn, for the period from 1 January to 30 June 2014 which are part of the half-yearly financial report pursuant to section 37w of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (IDW – Institute of Public Auditors in Germany) 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, 4 August 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Gerd Eggemann   Dietmar Prümm
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(German public auditor)   (German public auditor)

GRAPHS AND TABLES

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The English version of the Interim Report January to June 2014 of Deutsche Post DHL constitutes a translation of the original German version.
Only the German version is legally binding, insofar as this does not conflict with legal provisions in other countries.

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FINANCIAL CALENDAR

2014

INTERIM REPORT JANUARY TO SEPTEMBER 2014

12 November 2014

2015

2014 ANNUAL REPORT

11 March 2015

INTERIM REPORT JANUARY TO MARCH 2015

12 May 2015

2015 ANNUAL GENERAL MEETING (FRANKFURT AM MAIN)

27 May 2015

DIVIDEND PAYMENT

28 May 2015

INTERIM REPORT JANUARY TO JUNE 2015

5 August 2015

INTERIM REPORT JANUARY TO SEPTEMBER 2015

11 November 2015

Further dates, updates as well as information on live webcasts: dpdhl.com/en/investors.

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