INTERIM REPORT

3

WHAT WE ACHIEVED IN THE FIRST NINE MONTHS OF 2015

In the first nine months of 2015, Deutsche Post DHL Group took important steps towards securing the long-term success of the company. In July, we reached a wage agreement for Deutsche Post AG in Germany and now have planning certainty until January 2018. We also invested in the domestic and cross-border parcel business in Europe and in our already comprehensive Express network. In the Supply Chain division we focused upon restructuring and in the Global Forwarding, Freight division we reviewed the course of transformation and decided on an IT renewal path.

WHAT WE INTEND TO ACHIEVE BY THE END OF 2015

After accounting for the negative one-off effects of €345 million recognised by the Group in the first nine months of 2015 and due to further potential one-off effects of around €200 million, €81 million of which was already recognised in the third quarter, the Board of Management now expects consolidated EBIT to reach a minimum of €2.4 billion. The Post - eCommerce - Parcel division is now expected to contribute a minimum of €1.1 billion to that figure and the DHL divisions will contribute a minimum of €1.65 billion. As expected, EAC will generally perform in line with consolidated EBIT. Free cash flow is expected to at least cover the dividend payment made in May 2015.

NEXT EVENT

9 March 2016

2015
Annual Report

JANUARY TO SEPTEMBER 2015

Deutsche Post DHL Group

01 SELECTED KEY FIGURES

		9M 2014 adjusted[1]	9M 2015	+/– %	Q3 2014 adjusted[1]	Q3 2015	+/– %
Revenue	€m	41,265	43,891	6.4	14,001	14,424	3.0
Profit from operating activities (EBIT)	€m	2,060	1,454	–29.4	677	197	–70.9
Return on sales[2]	%	5.0	3.3	–	4.8	1.4	–
EBIT after asset charge (EAC)	€m	1,004	294	–70.7	321	–186	>–100
Consolidated net profit for the period[3]	€m	1,431	870	–39.2	468	49	–89.5
Free cash flow	€m	231	19	–91.8	371	329	–11.3
Net debt[4]	€m	1,499	2,820	88.1	–	–	–
Earnings per share[5]	€	1.18	0.72	–39.0	0.38	0.04	–89.5
Number of employees[6]		488,824	494,015	1.1	–	–	–

[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 12 of the Interim Group Management Report.
[5] Basic earnings per share.
[6] Including trainees. Headcount at the end of the third quarter; prior-period amount as at 31 December.

CONTENTS

Cross-references

Websites

Dr Frank Appel

Chief Executive Officer
Deutsche Post AG

Deutsche Post DHL Group

10 November 2015

First nine months of 2015

Dear Shareholders,

As I write this, it is November and our year of transition is drawing to a close. The measures announced on 28 October mark the last major step in preparing our business for the future. After having reached a wage agreement for Deutsche Post AG in Germany, restructured the Supply Chain business and increased margins again in the Express business, these measures will put us on track with our Global Forwarding business unit.

Our IT infrastructure is a key element in transforming our Forwarding business, where we adopted a business-centric IT renewal path at the end of October. We are now gradually replacing and upgrading our IT in the Global Forwarding business unit. In combination with defining the new IT renewal roadmap, the Group has recognised negative one-off effects of €345 million in the reporting period.

Deutsche Post DHL Group is also addressing potential earnings exposure relating primarily to legal and regulatory exposures: it is recognising further potential one-off effects of around €200 million in its outlook for full-year 2015. We are recording these short-term effects on our results in order to deliver long-term targets.

We have adjusted our full-year guidance for 2015: after accounting for the effects described above, we now expect consolidated EBIT for the current financial year to reach a minimum of €2.4 billion. The Post - eCommerce - Parcel division is now expected to contribute a minimum of €1.1 billion to that figure and the DHL divisions will contribute a minimum of €1.65 billion.

For 2016, we are reconfirming the earnings forecast that we presented in August 2014 given that the measures we have implemented will shore up our medium to long-term earnings targets.

Back in August 2014, I announced that 2015 would be a year of transition – a year of investing in the success of our Strategy 2020. We have now taken on that investment. I would like to thank you for your confidence in the ability of the Group to generate good earnings growth again as early as in 2016.

Yours faithfully,

Deutsche Post DHL Group
The Mail & Logistics Group

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GENERAL INFORMATION

Organisation

No material organisational changes

In the third quarter of 2015, no material changes were made to the Group's organisational structure.

Research and development

No research and development in the narrower sense

As a service provider, Deutsche Post DHL Group 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

Earnings impacted adversely

Global Forwarding, Freight division, page 18 f.

Post - eCommerce - Parcel division, page 14 f.

In the first nine months of 2015, Deutsche Post DHL Group increased revenue in all divisions, in some cases significantly. Positive currency effects were mainly responsible for the improvement. The German parcel business in the Post - eCommerce - Parcel (PeP) division and the international business in the Express division continued to generate dynamic growth. Earnings were impacted adversely by losses in the Global Forwarding, Freight division resulting from reorientation of its transformation process and by restructuring costs in the Supply Chain division. Earnings in the PeP division also suffered from the effects of the strike in Germany. All in all, consolidated net profit for the period and free cash flow thus declined significantly from the prior-year level. The Board of Management continues to assess the Group's financial position as solid.

Economic parameters

Global economy records cautious, inconsistent growth

The global economy continued to grow at a cautious pace at the start of the second half of 2015, whilst the growth in the emerging markets declined. This contrasted with the industrial countries, where the upward trend generally continued. The differences within the two groups remained substantial in light of the impact of low commodity prices and the strong US dollar.

Growth in the Asia region was generally robust. Asia continues to evidence the strongest economic momentum in spite of the further decline in growth in the Chinese economy, where exports were well below the prior-year level and industrial production recorded only modest growth. Gross domestic product (GDP) increased by 6.9% in the third quarter of 2015. In Japan, economic output is likely to have been largely flat. Capital expenditure and private consumption are both expected to have recorded increases. Demand was propped up by low oil prices, whereas, according to the information available, foreign trade declines curbed growth.

The US economy lost momentum yet again in the third quarter of 2015, where GDP rose at an annualised rate of 1.5%. The economy continued to benefit from brisk private consumption, which increased by 3.2%, driven by the low price of oil and declining unemployment. Gross fixed capital formation also increased again. By contrast, there was no significant growth impetus from foreign trade. The US Federal Reserve left its key interest rate at between 0% and 0.25% against the backdrop of low inflation and economic risks.

In the eurozone, economic recovery continued. The upward trajectory of private consumption was particularly notable. A further decline in energy prices and the sustained, slight upturn on the labour market had a positive impact. Companies also increased capital spending. However, foreign trade is likely to have somewhat depressed the growth trend. The positive impact of the weak euro was tempered by modest global demand. The rate of inflation experienced a slight downward trend. The European Central Bank kept its key interest rate at 0.05% and continued its extensive bond buying programme.

The German economy continued to grow, driven in particular by private consumption. Capital expenditure also rose. The labour market benefitted from the strong economy and employment figures improved substantially. Despite the economic risks, corporate sentiment remained optimistic. The ifo German Business Climate Index fell slightly in October after previously having risen on three consecutive occasions.

Significant events

Negative one-off effects from reorientation of Global Forwarding transformation
In the third quarter, the management of Global Forwarding, Freight focused intensively upon reorientating the transformation process. Given the decreased likelihood that the Global Forwarding business unit will be able to realise benefits from the New Forwarding Environment (NFE) system in its current state, the Group recognised in the result of the first nine months of 2015 negative one-off effects of a total of €345 million. This comprises €308 million in impairment losses recognised on assets capitalised in relation to NFE as well as subsequent costs of €37 million related to the further course of transformation.

In addition, the figure for the third quarter also includes an amount of €81 million identified as part of the potential earnings exposure of around €200 million for 2015 which was announced on 28 October 2015. This exposure during the reporting period related to the Post - eCommerce - Parcel and Global Forwarding, Freight divisions.

Results of operations

02 Selected indicators for results of operations

		9M 2014 adjusted[1]	9M 2015	Q3 2014 adjusted[1]	Q3 2015
Revenue	€m	41,265	43,891	14,001	14,424
Profit from operating activities (EBIT)	€m	2,060	1,454	677	197
Return on sales[2]	%	5.0	3.3	4.8	1.4
EBIT after asset charge (EAC)	€m	1,004	294	321	–186
Consolidated net profit for the period[3]	€m	1,431	870	468	49
Earnings per share[4]	€	1.18	0.72	0.38	0.04

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

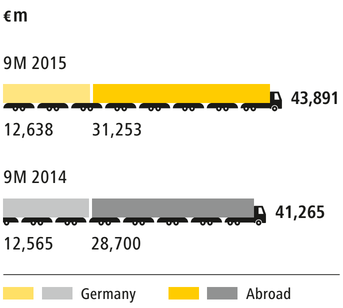
Changes in reporting

Since all joint ventures, associates and other equity investments held by Deutsche Post DHL Group operate in the Group's core business, we have reported the income and expenses of these investments under profit from operating activities (EBIT) since December 2014. They had previously been included in net financial income/net finance costs. The prior-period amounts have been adjusted.

In the second quarter of 2015, we sold shares in two property development companies in the United Kingdom, King's Cross Central Property Trust and King's Cross Central General Partner Ltd., which were held by the Supply Chain division.

In May, we sold 4.16% of our shares in Sinotrans Ltd., China, which were held by the Global Forwarding, Freight division.

03 Consolidated revenue



Consolidated revenue up significantly on prior-year figure

At €43,891 million, consolidated revenue was up by €2,626 million in the first nine months of 2015; this was due mainly to positive currency effects, which increased this item by €2,339 million. The proportion of revenue generated abroad rose from 69.6% in the previous year to 71.2%.

The €423 million rise in revenue to €14,424 million in the third quarter of 2015 was driven to a significant extent by positive currency effects, which increased this item by €498 million. Excluding this effect, revenue declined by €75 million, due to lower fuel surcharges, amongst other things.

Other operating income rose from €1,465 million to €1,718 million. This includes gains of €173 million on the disposal of shares in King's Cross and Sinotrans. In addition, the weak euro led to higher income from currency translation. The third quarter includes a positive one-off effect of €82 million resulting mainly from the reversal of impairment losses on assets relating to the Cincinnati hub.

Currency effects increase materials expense

Materials expense rose by €1,531 million to €24,870 million in the reporting period. This was due in particular to an increase in transport costs, which was caused primarily by exchange rate movements. By contrast, fuel costs fell due to the low oil price.

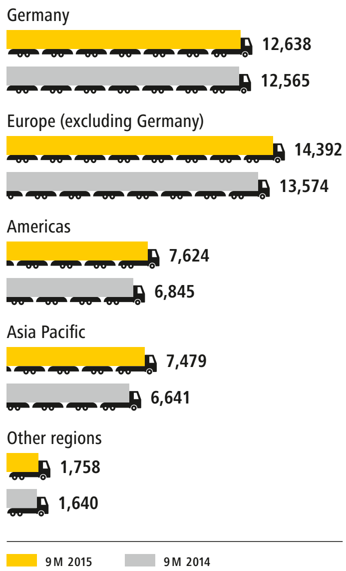
Staff costs rose by €1,165 million to €14,630 million, also mainly because of exchange rate movements. In addition, there was a rise in the number of employees in the Group.

There was a 22.6% increase in depreciation, amortisation and impairment losses from €1,048 million in the previous year to €1,285 million due mainly to impairment losses of €308 million in relation to NFE. The prior-year figure had included impairment losses on aircraft and aircraft parts of €106 million.

At €3,372 million, other operating expenses were up significantly on the previous year (€2,821 million), driven in particular by increased currency translation expenses.

04 Revenue by region

€m



05 Changes in revenue, other operating income and operating expenses, 9M 2015

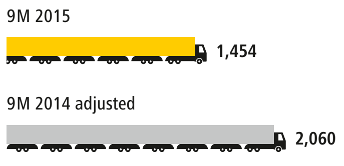
	€m	%	
Revenue	43,891	6.4	• Growth trends in the German parcel and international express businesses remain intact • Strongly positive currency effects
Other operating income	1,718	17.3	• Includes income from the sale of equity investments • Significant rise in income from currency translation
Materials expense	24,870	6.6	• Rise in transport costs mainly due to exchange rate movements
Staff costs	14,630	8.7	• Increase mainly due to exchange rate movements • Rise in the number of employees
Depreciation, amortisation and impairment losses	1,285	22.6	• Include impairment losses of €308 million in relation to NFE • Prior-year figure included impairment losses on aircraft and aircraft parts of €106 million
Other operating expenses	3,372	19.5	• Rise in currency translation expenses

Consolidated EBIT down 29.4%

Profit from operating activities (EBIT) declined by 29.4% to €1,454 million (previous year: €2,060 million). In the third quarter, EBIT decreased from €677 million to €197 million. At €255 million, net finance costs were similar to the previous year (€259 million). Profit before income taxes decreased by €602 million to €1,199 million in the reporting period. Income taxes declined by €90 million to €198 million despite a slight rise in the tax rate.

06 Consolidated EBIT

€m



Decline in consolidated net profit for the period

Consolidated net profit for the period decreased from €1,513 million to €1,001 million in the reporting period. Of this amount, €870 million is attributable to shareholders of Deutsche Post AG and €131 million to non-controlling interest holders. Likewise, basic earnings per share declined from €1.18 to €0.72 and diluted earnings per share from €1.14 to €0.69.

EBIT after asset charge decreases

EBIT after asset charge (EAC) declined from €1,004 million to €294 million in the first nine months of 2015, primarily as a result of the EBIT decline. In addition, the imputed asset charge increased by 9.8% due to foreign exchange movements and investments.

07 EBIT after asset charge (EAC)

€m	9M 2014 adjusted[1]	9M 2015	+/– %
EBIT	2,060	1,454	–29.4
– Asset charge	–1,056	–1,160	–9.8
= **EAC**	**1,004**	**294**	**–70.7**

[1] Note 4.

Financial position

08 Selected cash flow indicators

€m	9M 2014 adjusted[1]	9M 2015	Q3 2014 adjusted[1]	Q3 2015
Cash and cash equivalents as at 30 September	2,135	2,073	2,135	2,073
Change in cash and cash equivalents	–1,223	–900	185	309
Net cash from operating activities	1,381	1,137	814	792
Net cash used in investing activities	–489	–923	–466	–451
Net cash used in financing activities	–2,115	–1,114	–163	–32

[1] Note 4.

Liquidity situation remains solid

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The principles and aims of our financial management as presented in the 2014 Annual Report beginning on page 50 remain valid and continue to be pursued as part of our finance strategy. The low level of net cash used in investing activities in the first nine months of the previous year resulted primarily from the liquidation of short-term financial investments. The high level of net cash used in financing activities in the first nine months of 2014 was due to the scheduled repayment of a bond in January 2014.

As expected, the FFO to debt performance metric decreased in the first nine months of 2015 because debt increased. Along with higher operating lease obligations, the main reason for the increase in debt was the decrease in surplus cash and near-cash investments resulting mainly from the dividend paid out for financial year 2014. By contrast, the adjustment for pensions declined in the reporting period. The decrease resulted above all from the significant drop in pension obligations due to higher discount rates. The amount of interest paid decreased, mainly because we unwound interest rate swaps for bonds and therefore generated interest income.

Our credit quality as rated by Moody's Investors Service (Moody's) and Fitch Ratings (Fitch) has not changed from the ratings of "A3" and "BBB+", respectively, as described in the 2014 Annual Report beginning on page 53. The stable outlooks issued by both rating agencies 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 September 2015, the Group had cash and cash equivalents of €2.1 billion.

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09 FFO to debt

€m	1 Jan. to 31 Dec. 2014	1 Oct. 2014 to 30 Sept. 2015
Operating cash flow before changes in working capital	3,061	2,574
+ Interest received	45	41
– Interest paid	188	78
+ Adjustment for operating leases	1,283	1,393
+ Adjustment for pensions	122	363
± Non-recurring income/expenses	74	116
= **Funds from operations (FFO)**	**4,397**	**4,409**
Reported financial liabilities[1]	5,169	5,329
– Financial liabilities at fair value through profit or loss[1]	145	97
+ Adjustment for operating leases[1]	5,953	6,137
+ Adjustment for pensions[1]	7,174	6,159
– Surplus cash and near-cash investments[1,2]	2,256	1,091
= **Debt**	**15,895**	**16,437**
FFO to debt (%)	**27.7**	**26.8**

[1] As at 31 December 2014 and 30 September 2015, respectively.
[2] 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 above prior-year level

At the end of September 2015, the Group's capital expenditure (capex) amounted to €1,242 million. This reflects an increase of 23.6% over the prior year's figure of €1,005 million. Funds were used mainly to replace and expand assets as follows: €1,070 million was invested in property, plant and equipment and €172 million in intangible assets excluding goodwill. Investments in property, plant and equipment related to advance payments and assets under development (€719 million), IT equipment (€75 million), transport equipment (€71 million), technical equipment and machinery (€67 million), land and buildings (€59 million), operating and office equipment (€52 million) and aircraft (€27 million).

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

	PeP		Express		Global Forwarding, Freight		Supply Chain		Corporate Center/ Other		Consolidation[1]		Group	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Capex (€m)	207	324	275	496	128	101	196	220	199	101	0	0	1,005	1,242
Depreciation, amortisation and impairment losses (€m)	254	233	366	283	65	372	197	224	166	174	0	–1	1,048	1,285
Ratio of capex to depreciation, amortisation and impairment losses	0.81	1.39	0.75	1.75	1.97	0.27	0.99	0.98	1.20	0.58	–	–	0.96	0.97

[1] Including rounding.

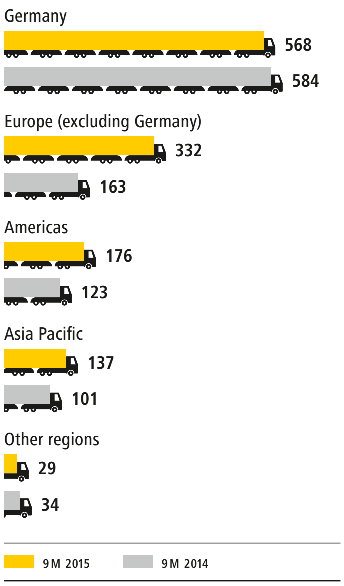
11 Capex and depreciation, amortisation and impairment losses, Q3

	PeP		Express		Global Forwarding, Freight		Supply Chain		Corporate Center/ Other		Consolidation[1]		Group	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Capex (€m)	107	133	151	267	46	27	69	84	121	37	0	–1	494	547
Depreciation, amortisation and impairment losses (€m)	77	79	84	98	22	328	69	75	60	60	0	0	312	640
Ratio of capex to depreciation, amortisation and impairment losses	1.39	1.68	1.80	2.72	2.09	0.08	1.00	1.12	2.02	0.62	–	–	1.58	0.85

[1] Including rounding.

12 Capex by region

€m



Capital expenditure in the Post - eCommerce - Parcel division increased from €207 million in the prior year to €324 million in the reporting period. The largest capex portion continued to be attributable to the expansion of our parcel network. We also focused upon investments in other operating and office equipment, technical equipment and machinery, and IT.

In the Express division, capital expenditure totalled €496 million in the first nine months of 2015 (previous year: €275 million). Our investments focused upon maintaining and refurbishing our aircraft fleet as well as on expanding our hubs in Leipzig, Cincinnati, Singapore, Brussels and the East Midlands. Regionally, we focused upon China, the United States and the UK.

In the Global Forwarding, Freight division, a total of €101 million was invested during the reporting period (previous year: €128 million). Of that figure, €84 million was attributable to the Global Forwarding business unit, where we continued to invest in turnaround measures. We also modernised and refurbished warehouses and office buildings across all regions. A total of €17 million was invested in the Freight business unit, mainly for real estate, intangible assets and technical equipment.

In the Supply Chain division, capital expenditure increased to €220 million in the reporting period (previous year: €196 million). Of that amount, €185 million related to the Supply Chain business unit, €19 million to Williams Lea and €16 million to central entities. Around 53% of the funds were used to support new business. The majority of the expenditure on new customer projects was in the Americas region, notably in the Consumer and Retail sectors. In the Asia Pacific and Europe regions, we invested in new customer projects, renewals and refurbishments, predominantly in the Retail and Automotive sectors. Additional investments were made in fleet replacements.

Cross-divisional capital expenditure decreased from €199 million in the previous year to €101 million in the reporting period. Lower expenses for the vehicle fleet were partly offset by higher spending on IT equipment.

Lower operating cash flow

At €1,137 million in the first nine months of 2015, net cash from operating activities was down €244 million on the previous year. The figure before changes in working capital was down more significantly, declining by €487 million to €1,533 million. The depreciation, amortisation and impairment losses contained in EBIT are non-cash effects and are therefore eliminated. This item increased from €1,048 million to €1,285 million, due in particular to the impairment losses relating to NFE. Net income from the disposal of non-current assets, which is contained in EBIT, is also eliminated. It rose by €226 million to €240 million in the reporting period, driven mainly by the gains on the sale of our equity investments in Sinotrans and King's Cross. Thanks to better working capital management, the cash outflow from changes in working capital improved significantly on the previous year, declining by €243 million to €396 million: in particular, the change in receivables and other current assets led to a €817 million lower cash outflow.

Net cash used in investing activities was €923 million, considerably exceeding the prior-year figure of €489 million. A key factor in the previous year was the sale of money market funds, which led to a cash inflow of €600 million and increased current financial assets. This compares with a cash inflow of €200 million in the reporting period from the sale of money market funds. Proceeds from the disposal of non-current assets amounted to €318 million in the reporting period (previous year: €155 million). This figure includes, amongst other items, the gains on the sale of the equity investments described above. Cash paid to acquire property, plant and equipment and intangible assets rose from €1,190 million to €1,444 million, partly because payments for some of the investments which had been capitalised at the end of 2014 were only made in 2015.

13 Operating cash flow by division, 9M 2015

14 Calculation of free cash flow

€m	9M 2014 adjusted[1]	9M 2015	Q3 2014 adjusted[1]	Q3 2015
Net cash from operating activities	**1,381**	**1,137**	**814**	**792**
Sale of property, plant and equipment and intangible assets	116	78	44	14
Acquisition of property, plant and equipment and intangible assets	–1,190	–1,444	–482	–472
Cash outflow arising from change in property, plant and equipment and intangible assets	**–1,074**	**–1,366**	**–438**	**–458**
Disposals of subsidiaries and other business units	3	–1	3	1
Disposals of investments accounted for using the equity method and other equity investments	0	223	0	2
Acquisition of subsidiaries and other business units	1	0	–2	0
Acquisition of investments accounted for using the equity method and other equity investments	0	0	0	0
Cash inflow arising from acquisitions/divestitures	**4**	**222**	**1**	**3**
Interest received	37	33	10	11
Interest paid	–117	–7	–16	–19
Net interest paid	**–80**	**26**	**–6**	**–8**
Free cash flow	**231**	**19**	**371**	**329**

[1] Note 4.

Free cash flow decreased from €231 million to €19 million in the reporting period, due to a decline in net cash from operating activities. In addition, there was an increase in cash paid to acquire property, plant and equipment and intangible assets from €1,190 million to €1,444 million. Conversely, cash inflows from the disposal of the equity investments had a positive impact. The fact that interest received exceeded interest paid also increased free cash flow; in the first quarter of 2015, we unwound interest rate swaps for bonds, which led to a cash inflow. The accounting treatment of these inflows is the same as for the hedged item. For this reason, we are only reporting small interest payments of €7 million in the reporting period (previous year: €117 million).

Net cash used in financing activities declined by €1,001 million to €1,114 million (previous year: €2,115 million). In the previous year, the repayment of a bond of €926 million had made a significant contribution to the cash outflow. At €1,030 million, the dividend paid to our shareholders was again the largest payment item in the reporting period.

Cash and cash equivalents declined from €2,978 million as at 31 December 2014 to €2,073 million on 30 September 2015.

Net assets

15 Selected indicators for net assets

		31 Dec. 2014 adjusted[1]	30 Sept. 2015
Equity ratio	%	25.9	28.5
Net debt	€m	1,499	2,820
Net interest cover[2]		25.8	–55.9
Net gearing	%	13.5	21.4
FFO to debt[3]	%	27.7	26.8

[1] Note 4.
[2] In the first nine months.
[3] For the calculation page 7.

Consolidated total assets down €685 million

The Group's total assets amounted to €36,294 million as at 30 September 2015, €685 million lower than at 31 December 2014 (€36,979 million).

At €23,110 million, non-current assets were up on the previous year's figure of €22,902 million. Intangible assets increased slightly by €38 million to €12,390 million, driven primarily by a rise in goodwill that was due to exchange rate movements. However, the impairment losses on intangible assets in relation to NFE reduced this item by €308 million. The increase in property, plant and equipment, from €7,177 million to €7,379 million, was driven partly by reversals of impairment losses on assets in the Express Americas region. In contrast, non-current financial assets decreased by €256 million to €1,107 million, due primarily to the sale of shares in equity investments. Other non-current assets increased slightly by €21 million to €172 million, driven mainly by the increase in pension assets. Deferred tax assets increased from €1,752 million to €1,952 million.

Current assets amounted to €13,184 million as at the balance sheet date, down €893 million on the figure as at 31 December 2014. Inventories increased by €39 million to €371 million. The sale of money market funds worth €200 million was the main reason for the decline in current financial assets to €195 million. Trade receivables declined by €112 million to €7,713 million. Other current assets increased by €203 million to €2,618 million. This figure includes €130 million relating to the accrual of the prepaid annual contribution to the *Bundesanstalt für Post und Telekommunikation* (German federal post and telecommunications agency) for pension and assistance benefits, as well as numerous other accrued expense items. Income tax assets rose by €25 million to €197 million. The reasons for the €905 million decrease in cash and cash equivalents to €2,073 million are described in the section entitled Financial position.

Page 9 f.

At €10,134 million, equity attributable to Deutsche Post AG shareholders was €758 million higher than at 31 December 2014 (€9,376 million). Consolidated net profit for the period, the increased discount rates applicable to pension liabilities and positive currency effects made a positive contribution, whereas the dividend payment for financial year 2014 reduced equity.

Non-current and current liabilities declined from €16,988 million to €16,683 million. Trade payables in particular decreased sharply by €815 million to €6,107 million. In contrast, other current liabilities rose from €4,196 million to €4,529 million, due primarily to an increase in liabilities to employees. Financial liabilities also increased slightly, rising by €160 million to €5,329 million. Current and non-current provisions decreased significantly from €10,411 million to €9,265 million: actuarial gains attributable to a rise in interest rates led to lower provisions for pensions.

Net debt increases to €2,820 million

Our net debt rose from €1,499 million as at 31 December 2014 to €2,820 million as at 30 September 2015, in part because in the first half of the year we paid the annual contribution of €530 million to the *Bundesanstalt für Post und Telekommunikation* and distributed the dividend for financial year 2014 in the amount of €1,030 million. At 28.5%, the equity ratio was higher than at 31 December 2014 (25.9%). Net interest cover shows the extent to which net interest obligations are covered by EBIT. The indicator calculated declined from 25.8 to –55.9, due primarily to payments received from the unwinding of interest rate swaps. Net gearing was 21.4% as at 30 September 2015.

16 Net debt

€m

	31 Dec. 2014	30 Sept. 2015
Non-current financial liabilities	4,655	4,614
+ Current financial liabilities	425	614
= **Financial liabilities**	**5,080**	**5,228**
– Cash and cash equivalents	2,978	2,073
– Current financial assets	351	195
– Long-term deposits[1]	60	0
– Positive fair value of non-current financial derivatives[1]	192	140
= **Financial assets**	**3,581**	**2,408**
Net debt	**1,499**	**2,820**

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

Business performance in the divisions

OVERVIEW

17 Key figures by operating division

€m	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Post - eCommerce - Parcel						
Revenue	11,333	11,618	2.5	3,731	3,805	2.0
of which Post	7,325	7,134	–2.6	2,376	2,318	–2.4
eCommerce - Parcel	4,008	4,484	11.9	1,355	1,487	9.7
Profit from operating activities (EBIT)	873	616	–29.4	288	142	–50.7
Return on sales (%)[1]	7.7	5.3	–	7.7	3.7	–
Operating cash flow	607	540	–11.0	282	186	–34.0
Express						
Revenue	9,080	10,023	10.4	3,112	3,328	6.9
of which Europe	4,142	4,408	6.4	1,386	1,470	6.1
Americas	1,632	1,861	14.0	558	628	12.5
Asia Pacific	3,219	3,678	14.3	1,137	1,228	8.0
MEA (Middle East and Africa)	678	771	13.7	230	249	8.3
Consolidation/Other	–591	–695	–17.6	–199	–247	–24.1
Profit from operating activities (EBIT)	912	1,072	17.5	305	364	19.3
Return on sales (%)[1]	10.0	10.7	–	9.8	10.9	–
Operating cash flow	1,111	1,090	–1.9	481	494	2.7
Global Forwarding, Freight						
Revenue	10,964	11,154	1.7	3,803	3,587	–5.7
of which Global Forwarding	7,967	8,154	2.3	2,810	2,600	–7.5
Freight	3,110	3,125	0.5	1,034	1,029	–0.5
Consolidation/Other	–113	–125	–10.6	–41	–42	–2.4
Profit from operating activities (EBIT)	222	–280	<–100	71	–337	<–100
Return on sales (%)[1]	2.0	–2.5	–	1.9	–9.4	–
Operating cash flow	–24	103	–	31	138	>100
Supply Chain						
Revenue	10,784	11,992	11.2	3,660	4,005	9.4
of which Supply Chain	9,765	10,862	11.2	3,302	3,638	10.2
Williams Lea	1,024	1,140	11.3	360	371	3.1
Consolidation/Other	–5	–10	–100.0	–2	–4	–100.0
Profit from operating activities (EBIT)	304	273	–10.2	110	101	–8.2
Return on sales (%)[1]	2.8	2.3	–	3.0	2.5	–
Operating cash flow	237	23	–90.3	215	169	–21.4

[1] EBIT/revenue.

POST - ECOMMERCE - PARCEL DIVISION

Revenue exceeds prior-year figure

In the first nine months of 2015, revenue in the division was €11,618 million, exceeding the prior-year figure of €11,333 million by 2.5%. Consistent, strong growth in the eCommerce - Parcel business unit played a significant role in this increase. Excluding positive currency effects of €144 million, revenue growth was 1.2% in the reporting period.

Lower revenue and volumes in Post business unit, partly on account of strike

In the Post business unit, revenue and volumes declined to below the prior-year level in the first nine months of 2015. Revenue decreased by 2.6% to €7,134 million (previous year: €7,325 million); volumes fell more significantly by 6.4%. In the third quarter of 2015, revenue and volumes declined year-on-year by 2.4% and 4.1%, respectively.

Although the price of a standard letter increased at the beginning of the year, the additional sales revenue could not fully offset the decrease in revenue attributable to the overall decline in Mail Communication volumes. The Germany-wide labour strikes called by the trade union ver.di, our collective bargaining partner, at mail centres and in letter and parcel delivery operations negatively impacted our volume and revenue trend. Furthermore, 2014 included additional mail volumes as a result of factors such as the European elections and the transition to SEPA. The cross-border import/export business performed well during the reporting period. The *Groß* and *Maxi* formats in particular benefitted from the fact that small-sized goods are increasingly being sent by letter.

Revenue and volumes decreased in the Dialogue Marketing business, especially in addressed advertising mail. By contrast, revenue generated from unaddressed advertising mail increased. Growth in our *Einkauf aktuell* product exceeded the revenue decline in *Postwurfsendung* unaddressed items.

18 Post: revenue

€m	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Mail Communication	4,881	4,776	–2.2	1,567	1,529	–2.4
Dialogue Marketing	1,603	1,580	–1.4	530	532	0.4
Other	841	778	–7.5	279	257	–7.9
Total	**7,325**	**7,134**	**–2.6**	**2,376**	**2,318**	**–2.4**

19 Post: volumes

Mail items (millions)	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Total	15,065	14,105	–6.4	4,754	4,558	–4.1
of which Mail Communication	6,575	6,324	–3.8	2,089	1,990	–4.7
of which Dialogue Marketing	6,962	6,373	–8.5	2,174	2,122	–2.4

Encouraging growth in eCommerce - Parcel business unit

In the first nine months of 2015, revenue in the eCommerce - Parcel business unit was €4,484 million, exceeding the prior-year figure of €4,008 million by an encouraging 11.9%. This positive trend also continued in the third quarter.

In Germany, we saw stable volume growth. Driven by e-commerce, volumes rose by 8.4% to 785 million parcels in the reporting period. Revenue grew by 9.5% to €3,057 million (previous year: €2,792 million).

Our domestic and cross-border parcel business in Europe continued to perform well, and entry into the Austrian market in September 2015 was an important milestone. Revenue grew by 7.3% to €531 million (previous year: €495 million) in the reporting period.

Revenue in the DHL eCommerce business was up by 24.3% to €896 million (previous year: €721 million) in the first nine months of 2015, with contributing factors including the very positive development in the B2C segment in India, growth in the domestic business in the United States and positive currency effects. Excluding currency effects, growth was 5.0%.

20 eCommerce - Parcel: revenue

€m	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Parcel Germany	2,792	3,057	9.5	939	1,005	7.0
Parcel Europe[1]	495	531	7.3	167	181	8.4
DHL eCommerce[2]	721	896	24.3	249	301	20.9
Total	**4,008**	**4,484**	**11.9**	**1,355**	**1,487**	**9.7**

[1] Excluding Germany.
[2] Outside Europe.

21 Parcel Germany: volumes

Parcels (millions)	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Total	724	785	8.4	242	257	6.2

EBIT declines significantly

Although revenues were up compared with the previous year, EBIT declined significantly, due in particular to higher material and labour costs, the continued expansion of our parcel network as well as the effects of the strike. Division EBIT fell by 29.4%, from €873 million in the previous year to €616 million in the reporting period. Return on sales decreased to 5.3% (previous year: 7.7%). EBIT in the third quarter of 2015 was €142 million (previous year: €288 million). The figure for the third quarter includes an amount of €42 million identified as part of the potential earnings exposure of around €200 million for 2015 which was announced for the Group on 28 October 2015. The exposure relates to an expected increase in payments to *Postbeamtenversorgungskasse* (German administration of civil servant pensions), due mainly to interest rate movements.

Operating cash flow decreased from €607 million to €540 million, which was attributable mainly to a reduced net cash inflow from EBIT. Working capital was €–260 million, which equalled the prior-year level (€–260 million).

EXPRESS DIVISION

Volumes in international business continue strong growth trend

Revenue in the division increased in the first nine months of 2015 by 10.4% to €10,023 million (previous year: €9,080 million). Excluding positive currency effects of €729 million, revenue growth was only 2.4% in the reporting period. In the third quarter of 2015, our revenue improved by 6.9% year-on-year. Excluding currency effects, the increase was 2.2%. Due to the decrease in the price of crude oil compared with the previous year, the fuel surcharges passed on to our customers were lower in all regions.

In the Time Definite International (TDI) product line, daily revenues increased in the first nine months of 2015 by 4.0% and per-day shipment volumes increased by 8.5%. The trend continued in the third quarter with daily revenues up by 4.7% and shipment volumes by 9.4%. Volumes rose to a much greater extent than revenues due to the decrease in fuel surcharges.

In the Time Definite Domestic (TDD) product line, daily revenues in the reporting period increased by 2.7% and per-day shipment volumes by 7.0%. In the third quarter, daily revenues increased by 5.7% and shipment volumes by as much as 9.9%.

22 EXPRESS: revenue by product

€m per day[1]	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Time Definite International (TDI)	35.0	36.4	4.0	34.3	35.9	4.7
Time Definite Domestic (TDD)	3.7	3.8	2.7	3.5	3.7	5.7

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

23 EXPRESS: volumes by product

Thousands of items per day[1]	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Time Definite International (TDI)	674	731	8.5	661	723	9.4
Time Definite Domestic (TDD)	357	382	7.0	343	377	9.9

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

Business in Europe grows significantly

Revenue in the Europe region increased by 6.4% to €4,408 million (previous year: €4,142 million) in the reporting period. The figure for the reporting period included positive currency effects of €59 million that relate mainly to our business activities in Switzerland and the UK. Excluding these effects, revenue growth was 5.0%. In the TDI product line, daily revenues increased by 4.4%. Shipment volumes rose by 13.2% in the reporting period. Growth in the region was even higher in the third quarter of 2015: daily international shipment revenues increased by 5.7%, whilst shipment volumes grew by 14.9%.

Increased revenue from time-definite shipments in the Americas region

Revenue in the Americas region grew in the first nine months of 2015 by 14.0% to €1,861 million (previous year: €1,632 million). The figure for the reporting period included positive currency effects of €200 million, which relate mainly to our business in the United States. Excluding currency effects, revenue in the region saw an increase of 1.8% above the prior-year figure. In the TDI product line, we increased daily revenues by 6.3% in the first nine months of 2015, whilst shipment volumes experienced a slight decline of 0.9%. Daily revenues in the third quarter of 2015 rose by 6.6%, whilst volumes decreased by 0.7%.

Revenue in Asia Pacific region continues to grow

Revenue in the Asia Pacific region increased in the reporting period by 14.3% to €3,678 million (previous year: €3,219 million). The figure for the reporting period included significant currency gains of €431 million that related primarily to our business activities in China and Hong Kong as well as other countries in the region. Excluding these effects, the revenue increase was only 0.9%, due mainly to lower fuel surcharges. Daily revenues in the TDI product line improved by 1.7% in the first nine months of 2015, due primarily to the 6.2% increase in shipment volumes. Growth in the third quarter of 2015 amounted to 2.0% for daily revenues and 6.9% for shipment volumes.

TDI volumes in the MEA region see dynamic increase

Revenue in the MEA region (Middle East and Africa) was up by 13.7% to €771 million (previous year: €678 million) in the first nine months of 2015. The figure for the reporting period included positive currency effects of €85 million that are associated mainly with our business activities in the Middle East. Excluding these effects, revenue in the region rose slightly by 1.2%. In the TDI product line, daily revenues increased by 7.6% and per-day volumes by a substantial 10.3%. Growth in the third quarter of 2015 amounted to 8.6% for daily revenues and 9.5% for per-day volumes.

EBIT and return on sales improve significantly

In the reporting period, division EBIT improved by 17.5% to €1.072 million (previous year: €912 million). Increased volumes and revenues as well as the higher operating profitability of our network were the main factors contributing to the growth in EBIT. Return on sales also improved, rising from 10.0% in the previous year to 10.7% in the reporting period. Third-quarter EBIT climbed by 19.3% to €364 million, which increased return on sales from 9.8% to 10.9%. The third quarter included a positive one-off effect amounting to €82 million attributable largely to the reversal of impairment losses on assets in the United States. The reversal of restructuring provisions in the USA in the previous year resulted in income that was offset mainly by impairment losses on aircraft.

Operating cash flow in the reporting period declined slightly by 1.9% to €1,090 million (previous year: €1,111 million), mainly because there was a modest increase in the cash outflow from changes in working capital compared with the prior year.

GLOBAL FORWARDING, FREIGHT DIVISION

Freight forwarding business remains under pressure

In the first nine months of 2015, revenue in the division increased by 1.7% to €11,154 million (previous year: €10,964 million). Excluding positive currency effects of €456 million, however, revenue declined by 2.4%.

In the Global Forwarding business unit, revenue in the reporting period increased by 2.3% to €8,154 million (previous year: €7,967 million). Excluding positive currency effects of €450 million, revenue decreased by 3.3%. Gross profit improved by 1.6% to €1,815 million (previous year: €1,787 million).

Turnaround plan adopted and transformation reorientated

The new management has been reviewing Global Forwarding's operating performance and the course of transformation since the end of April. A turnaround plan has been adopted with the objective of improving the operating performance quickly and of defining the future course of transformation. Measures designed to improve the division's cost structure, earnings and customer service, amongst other factors, have been initiated. Based upon the review, which also included the future IT landscape, management has decided on a new IT renewal path.

Post-balance-sheet date events, page 22

Air and ocean freight stabilises in difficult environment

In the first nine months of 2015, air freight revenues increased slightly year-on-year. By contrast, our air freight volumes declined noticeably by 7.0%. To counteract the decrease in margins, we withdrew from some major transactions and volumes dropped accordingly. Revenue in the air freight business rose by 1.2% in the reporting period. The measures implemented in the previous year to increase profitability contributed to a 1.6% improvement in gross profit.

Ocean freight volumes in the first nine months of 2015 remained at the previous year's level. New business gains offset declines stemming from prolonged market weakness and considerably lower volumes from several customers. Our ocean freight revenues rose by 5.8% in the reporting period. However, gross profit fell by 5.5%. The measures we introduced to stabilise and increase margins are yielding initial successes but are being offset partially by the continued weak market development.

The performance of our industrial project business (Table 24, reported as part of Other) was much weaker than in the previous year as the low oil price has resulted in a marked reduction in investment in the energy sector, in particular. In the first nine months of 2015, the share of revenue related to industrial project business and reported under Other was 28.2% and therefore down year-on-year (previous year: 36.0%). Gross profit declined by 4.0% compared with the prior-year period.

24 Global Forwarding: revenue

€m	9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Air freight	3,700	3,743	1.2	1,310	1,178	–10.1
Ocean freight	2,649	2,803	5.8	947	922	–2.6
Other	1,618	1,608	–0.6	553	500	–9.6
Total	**7,967**	**8,154**	**2.3**	**2,810**	**2,600**	**–7.5**

25 Global Forwarding: volumes

Thousands		9M 2014 adjusted	9M 2015	+/– %	Q3 2014 adjusted	Q3 2015	+/– %
Air freight	tonnes	2,971	2,764	–7.0	1,032	896	–13.2
of which exports	tonnes	1,671	1,562	–6.5	580	510	–12.1
Ocean freight	TEUs[1]	2,201	2,208	0.3	765	754	–1.4

[1] Twenty-foot equivalent units.

Slight revenue growth in European overland transport business

In the Freight business unit, revenue was up slightly by 0.5% to €3,125 million in the first nine months of 2015 (previous year: €3,110 million), bolstered by positive currency effects of €7 million. Business continued to grow primarily in Germany, Central and Eastern Europe, Turkey and Denmark. Under strong margin pressure, gross profit was €811 million, thereby remaining at the prior-year level (previous year: €810 million), assisted in part by positive currency effects.

Turnaround costs push down earnings trend

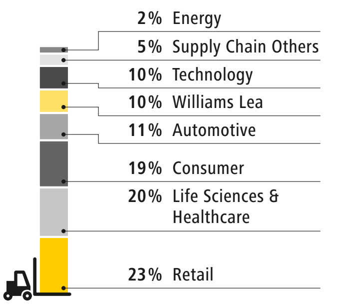
EBIT in the division declined to €–280 million in the reporting period (previous year: €222 million). The high expenses incurred for turnaround measures continue to have an impact. At the same time, gross profit margins in air freight improved; in ocean freight they stabilised at the expected low level. Return on sales declined to –2.5% (previous year: 2.0%). EBIT for the third quarter of 2015 was down substantially on the previous year's figure of €71 million, at €–337 million. The third-quarter figure included NFE-related one-off effects in the amount of €308 million in impairment losses recognised on capitalised assets as well as subsequent costs of €37 million related to the further course of transformation. In addition, the figure for the third quarter includes an amount of €39 million recognised as part of the potential earnings exposure of around €200 million for 2015 which was announced for the Group on 28 October 2015. This relates to write-downs of receivables in the amount of €39 million, amongst other things, against the background of a possible legal dispute.

Despite higher outstanding receivables, net working capital improved in the first nine months of 2015, leading to operating cash flow of €103 million (previous year: €–24 million).

SUPPLY CHAIN DIVISION

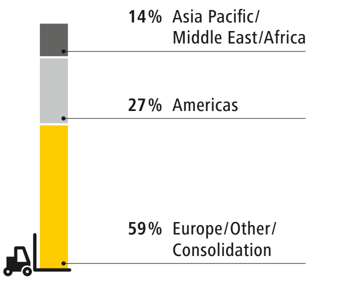
26 SUPPLY CHAIN:
revenue by sector, 9M 2015

Total revenue: €11,992 million



27 SUPPLY CHAIN:
revenue by region, 9M 2015

Total revenue: €11,992 million



Continued revenue growth in all business units and regions

Revenue in the division increased by 11.2% to €11,992 million in the first nine months of 2015 (previous year: €10,784 million). Positive currency effects of €1,036 million contributed strongly to this growth. Excluding currency effects, revenue growth was 1.6%. Revenue for the third quarter of 2015 increased by 9.4% year-on-year, rising from €3,660 million to €4,005 million. The third-quarter increase was likewise impacted significantly by positive currency effects; excluding this effect, growth was 3.2%.

Revenue in the Supply Chain business unit was €10,862 million in the first nine months of 2015, an increase of 11.2% (previous year: €9,765 million). Compared with the previous year, the Life Sciences & Healthcare, Consumer and Automotive sectors represented a higher proportion of revenue, offset by a slightly lower share in the Retail sector. Revenue from our top 20 customers grew by 10.3%.

In the Americas region, we gained revenue from new business in the United States, driven predominantly by the Consumer and Automotive sectors. Overall revenue growth in Canada was impacted negatively by the loss of a contract in the Retail sector at the end of the second quarter of 2014.

In the Asia Pacific region there was a substantial revenue increase across all focus sectors. China and Thailand in particular contributed to this increase, which stemmed from new and additional business. In China, revenue increased significantly in the Technology and Automotive sectors. Revenue growth in Thailand came primarily from the Consumer and Retail sectors. Our business in Australia, India and Hong Kong also contributed to the increased revenue in the region.

In Europe, volumes and new business increased mainly in the Retail and Automotive sectors. Revenue in the Life Sciences & Healthcare sector improved due primarily to additional business from the UK National Health Service.

In the Williams Lea business unit, revenue grew by 11.3% to €1,140 million in the reporting period, driven mainly by increased volumes in Marketing Solutions and specialised Business Process Outsourcing for customers in Europe and Asia.

New business worth around €788 million secured

In the first nine months of 2015, the Supply Chain business unit concluded additional contracts worth around €788 million in annualised revenue with both new and existing customers. The Consumer, Life Sciences & Healthcare, Retail, Automotive and Technology sectors accounted for the majority of the gains. The annualised contract renewal rate remained at a consistently high level.

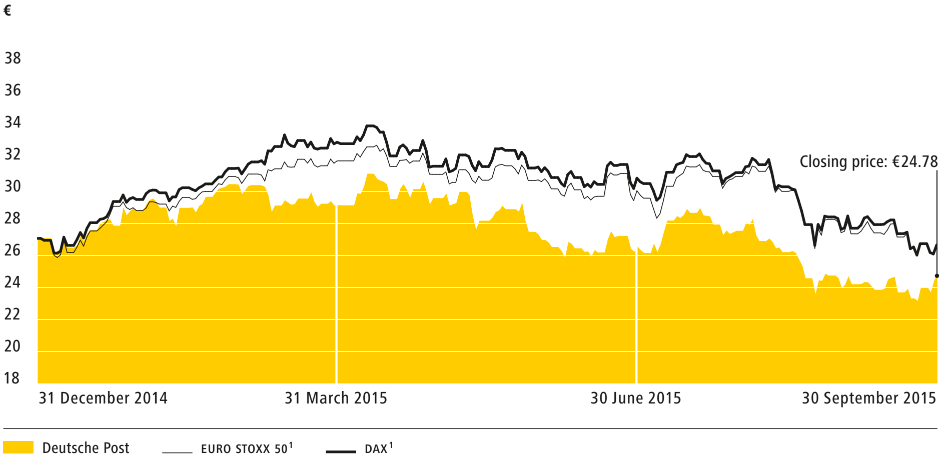
EBIT includes restructuring expenses and disposal income

Results of operations, page 4

EBIT in the division was €273 million in the first nine months of 2015 (previous year: €304 million). The main reason for the decline in EBIT was the restructuring costs supporting our "Focus. Connect. Grow" strategic initiatives, which were offset partially by income from the sale of shares in King's Cross in the UK. New business also had a positive effect on earnings. The return on sales declined to 2.3% (previous year: 2.8%). In the third quarter of 2015, EBIT decreased from €110 million to €101 million, also impacted by restructuring costs. Net working capital worsened, which led to a decline in operating cash flow to €23 million (previous year: €237 million).

DEUTSCHE POST SHARES

28 Share price performance



[1] Rebased to the closing price of Deutsche Post shares on 31 December 2014.

Deutsche Post shares post a slight recovery at the end of Q3

After reaching a high of 12,374 on 10 April 2015, the DAX index declined considerably as the year progressed to close the third quarter at 9,660. The primary reason for the market consolidation was investor uncertainty relating to the economic trend in the Asian markets, especially China. Deutsche Post shares were not immune to the general downward trend, dropping to a low of €23.14 in September. Thereafter, however, the shares gained ground to close at €24.78 at the end of the quarter.

29 Deutsche Post shares

		31 Dec. 2014	30 Sept. 2015
Closing price	€	27.05	24.78
High[1]	€	28.43	31.08
Low[1]	€	22.30	23.14
Number of shares[2]	millions	1,211.2	1,211.2
Market capitalisation	€m	32,758	30,007
Average trading volume per day[1]	shares	4,019,689	4,543,133

[1] In 2014 and the first nine months of 2015.
[2] Number according to the commercial register.

30 Peer group comparison: closing prices

		31 Dec. 2014	30 Sept. 2015	+/– %	30 Sept. 2014	30 Sept. 2015	+/– %
Deutsche Post DHL Group	EUR	27.05	24.78	–8.4	25.39	24.78	–2.4
bpost	EUR	20.79	21.23	2.1	18.90	21.23	12.3
Royal Mail Group	GBp	429.90	458.80	6.7	392.20	458.80	17.0
FedEx	USD	173.66	143.98	–17.1	161.45	143.98	–10.8
UPS	USD	111.17	98.69	–11.2	98.29	98.69	0.4
Kuehne + Nagel	CHF	135.30	125.20	–7.5	120.60	125.20	3.8

NON-FINANCIAL PERFORMANCE INDICATORS

Employees

Number of employees continues to rise slightly

In the first nine months of 2015, the average number of employees (full-time equivalents) increased slightly to 448,068, a 1.6% rise compared with the previous year's average. This was due mainly to higher shipment volumes in the Express division and the growth of the German parcel business in the Post - eCommerce - Parcel division. The headcount at the end of the third quarter was 494,015.

Our current planning foresees another slight increase in the number of employees in financial year 2015.

POST-BALANCE-SHEET DATE EVENTS

Further orientation of the Global Forwarding IT renewal path defined

On 28 October 2015, the Board of Management decided on the further course of its IT renewal plan for the Global Forwarding business unit. The Group recognised the need to weigh potential alternatives and will implement a step-by-step replacement and upgrade of its IT set-up. This could rely on a flexible IT architecture, potentially enhancing and converging existing systems and also incorporating advanced "off-the-shelf" solutions that have been commercially proven within the freight forwarding industry. This approach will mitigate risk and significantly simplify implementation of the new IT landscape.

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On the same day, the Board of Management also decided to recognise further potential one-off effects of around €200 million in its outlook for 2015. This exposure relates mainly to the Post - eCommerce - Parcel (PeP), Express and Global Forwarding, Freight divisions. Of this amount, €81 million was recognised in the third quarter.

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 swiftly capitalising upon them and counteracting risks are important objectives 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 or risks.

As described in the Report on Post-Balance-Sheet Date Events, the Board of Management has decided on the further course of its IT renewal plan for the Global Forwarding business unit. On the same day, the Board of Management also decided to recognise further potential one-off effects of around €200 million, €81 million of which was already recognised in the third quarter, in its outlook for 2015. Although this will result in additional charges in 2015, the measures taken will underpin the success of our Strategy 2020. Aside from these charges, the Group's overall opportunity and risk situation did not change significantly in the reporting period as compared with the situation portrayed in the 2014 Annual Report. No new risks were identified that could have a significant impact on the Group's results. 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.

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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 2014 Annual Report, beginning on page 86.

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Opportunities and risks

No significant changes in the opportunity and risk situation

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In the first nine months of 2015, aside from the charges mentioned above the opportunity and risk situation did not change significantly from that portrayed in the 2014 Annual Report, beginning on page 86.

Bundeskartellamt ruling on letter prices

On 5 November 2012, the *Bundeskartellamt* (German federal cartel office) initiated proceedings against Deutsche Post AG on suspicion of abusive behaviour with respect to agreements on mail transport with major customers. Based upon information from Deutsche Post's competitors, the authorities suspected that the company had violated the provisions of German and European antitrust law. In a decree dated 6 July 2015, the *Bundeskartellamt* determined that such violations had indeed taken place but also that Deutsche Post had discontinued them at the end of 2013. No fine was imposed. The company appealed the decision to the Higher Regional Court in Düsseldorf on 4 August 2015 and submitted a statement setting out the grounds of appeal within the prescribed period.

EU court sets aside decision on reopening state aid investigation

In its ruling of 18 September 2015, the General Court of the European Union held that the decision of the European Commission dated 12 September 2007 regarding the initiation of a formal state aid investigation was null and void based on a complaint filed by Deutsche Post. The legal action did not involve the substantive proceedings but rather the procedural side issue of whether the European Commission was acting within its rights in reopening the state aid proceedings in 2007. In 2007, Deutsche Post had filed an action against the reopening of the state aid proceedings as a precautionary measure. The substantive proceedings of the legal dispute will continue, i.e., the action brought by Deutsche Post against the EU state aid ruling of 25 January 2012 that is still pending before the General Court of the European Union.

EXPECTED DEVELOPMENTS

Overall Board of Management assessment of the future economic position

Annual forecast adjusted for negative one-off effects

After accounting for the negative one-off effects of €345 million recognised by the Group in the first nine months of 2015 and due to further potential one-off effects of around €200 million, €81 million of which was already recognised in the third quarter, the Board of Management now expects consolidated EBIT to reach a minimum of €2.4 billion in financial year 2015. The Post - eCommerce - Parcel division is now expected to contribute a minimum of €1.1 billion to that figure and the DHL divisions will contribute a minimum of €1.65 billion. The Corporate Center/Other result is projected to remain at around €–0.35 billion. As expected, EAC will generally perform in line with consolidated EBIT. Free cash flow is expected to at least cover the dividend payment made in May 2015.

Forecast period

Outlook generally refers to 2015

The information contained in the report on expected developments generally refers to financial year 2015. 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 economy to record cautious growth

Economists estimate that global economic growth will remain modest for the time being rather than accelerating. Economic recovery will continue in the industrial countries and growth is expected to stabilise in the emerging markets. The International Monetary Fund (IMF) has lowered its forecast for global economic output to 3.1% for 2015. With respect to global trade, the IMF anticipates a rise of only 3.2%.

In China, growth is projected to remain moderate during the rest of the year. GDP is expected to increase less than in the previous year (IMF: 6.8%; Bloomberg Consensus: 6.8%). Although Japan is experiencing an upturn, momentum is weak. GDP growth for the year is likely to remain low due to the unfavourable starting point in the first quarter of 2015 (IMF: 0.6%; Bloomberg Consensus: 0.7%; Global Insight: 0.6%).

In the United States, the economy is being fuelled by strong domestic growth. However, declining foreign trade may reduce economic momentum due to the strong US dollar and the sluggish global economy. GDP growth is forecast to slightly exceed the previous year's figure (IMF: 2.6%; Bloomberg Consensus: 2.5%; Global Insight: 2.5%).

The economy in the eurozone is on course for continued recovery, with private consumption expected to continue to provide much of the momentum. Moreover, gross fixed capital formation is projected to rise and exports are likely to see stronger growth than in the previous year due to the weak euro. Since imports are also increasing, however, foreign trade is not expected to drive growth overall. In contrast to previous years, all of the major member states are forecast to achieve positive growth. Indeed, growth for 2015 as a whole is expected to increase (IMF: 1.5%; ECB 1.4%; Global Insight: 1.5%).

Early indicators suggest that the economic upswing in Germany will continue, with domestic demand providing much of the momentum. Private consumption, gross fixed capital formation and government spending are all expected to rise markedly. Foreign trade is also likely to make a positive contribution to GDP growth. Growth for 2015 as a whole is expected to resemble that of the prior year (IMF: 1.5%; *Sachverständigenrat* 1.8%; Global Insight: 1.7%).

Revenue and earnings forecast

Adjusted forecast for financial year 2015: earnings of €2.4 billion at minimum

After accounting for the negative one-off effects of €345 million recognised by the Group in the first nine months of 2015 and due to further potential one-off effects of around €200 million, €81 million of which was already recognised in the third quarter, the Board of Management now expects consolidated EBIT to reach a minimum of €2.4 billion in financial year 2015. The Post - eCommerce - Parcel division is now expected to contribute a minimum of €1.1 billion to that figure and the DHL divisions will contribute a minimum of €1.65 billion. Within the DHL divisions, Express is expected to show continued earnings growth, whereas the IT renewal in Global Forwarding, Freight and investments in Supply Chain will dampen EBIT growth in those divisions. The Corporate Center/Other result is projected to remain at around €–0.35 billion.

In line with our Group strategy, we are targeting organic growth and anticipate only a few small acquisitions in 2015, as in the previous year.

We are reconfirming the earnings forecast for 2016 that we presented in August 2014: consolidated EBIT is expected to reach between €3.4 billion and €3.7 billion in 2016. The PeP division is likely to account for more than €1.3 billion of that figure and the earnings contribution of the DHL divisions is forecast to range between €2.45 billion and €2.75 billion.

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

Expected financial position

Group's credit quality remains adequate or good

In light of the earnings forecast for 2015, we expect the FFO to debt performance metric to remain stable on the whole. The metric will be impacted strongly by persistently fluctuating discount rates for pension obligations. We expect the rating agencies to continue to rank our credit quality as adequate or even good.

Liquidity situation remains solid

Our operating liquidity situation will improve towards the end of the year due to the usual upturn in our business activities in the fourth quarter of the year. At the beginning of 2016, however, we expect it to worsen temporarily due to the annual pension related prepayment to the *Bundesanstalt für Post und Telekommunikation*.

Investments to increase

As described beginning on page 101 of our 2014 Annual Report, capital expenditure of around €2.0 billion is planned for 2015. We shall focus upon technical equipment and machinery, aircraft and transport equipment.

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Change in indicators relevant for internal management

EAC to perform generally in line with consolidated EBIT

As expected, EAC will generally perform in line with consolidated EBIT. Divisional EAC will be subject to the same influences as laid out in the EBIT outlook. However, as our investing activities and currency effects continue and the net asset base increases as a result, the EAC trend may be more moderate than the trend in EBIT. Free cash flow is expected to at least cover the dividend payment made in May 2015 for financial year 2014.

31 INCOME STATEMENT

1 January to 30 September

€m	9M 2014 adjusted[1]	9M 2015	Q3 2014 adjusted[1]	Q3 2015
Revenue	41,265	43,891	14,001	14,424
Other operating income	1,465	1,718	529	537
Total operating income	42,730	45,609	14,530	14,961
Materials expense	−23,339	−24,870	−8,099	−8,223
Staff costs	−13,465	−14,630	−4,417	−4,744
Depreciation, amortisation and impairment losses	−1,048	−1,285	−312	−640
Other operating expenses	−2,821	−3,372	−1,025	−1,158
Total operating expenses	−40,673	−44,157	−13,853	−14,765
Net income from investments accounted for using the equity method	3	2	0	1
Profit from operating activities (EBIT)	**2,060**	**1,454**	**677**	**197**
Financial income	62	71	20	26
Finance costs	−302	−303	−98	−107
Foreign currency result	−19	−23	−4	−9
Net finance costs	**−259**	**−255**	**−82**	**−90**
Profit before income taxes	**1,801**	**1,199**	**595**	**107**
Income taxes	−288	−198	−95	−18
Consolidated net profit for the period	**1,513**	**1,001**	**500**	**89**
attributable to Deutsche Post AG shareholders	1,431	870	468	49
attributable to non-controlling interests	82	131	32	40
Basic earnings per share (€)	**1.18**	**0.72**	**0.38**	**0.04**
Diluted earnings per share (€)	**1.14**	**0.69**	**0.37**	**0.04**

[1] Note 4.

32 STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 September

€m	9M 2014	9M 2015	Q3 2014	Q3 2015
Consolidated net profit for the period	**1,513**	**1,001**	**500**	**89**
Items that will not be reclassified to profit or loss				
Change due to remeasurements of net pension provisions	–2,508	679	–1,339	–345
IFRS 3 revaluation reserve	–1	0	0	0
Other changes in retained earnings	1	0	0	0
Income taxes relating to components of other comprehensive income	184	–7	124	48
Share of other comprehensive income of investments accounted for using the equity method (after tax)	0	0	0	0
Total (after tax)	**–2,324**	**672**	**–1,215**	**–297**
Items that may be subsequently reclassified to profit or loss				
IAS 39 revaluation reserve				
Changes from unrealised gains and losses	119	50	25	–11
Changes from realised gains and losses	0	–172	0	0
IAS 39 hedging reserve				
Changes from unrealised gains and losses	–99	–65	–39	57
Changes from realised gains and losses	–24	82	2	19
Currency translation reserve				
Changes from unrealised gains and losses	390	342	361	–260
Changes from realised gains and losses	0	0	0	0
Income taxes relating to components of other comprehensive income	25	3	10	–22
Share of other comprehensive income of investments accounted for using the equity method (after tax)	1	1	1	–1
Total (after tax)	**412**	**241**	**360**	**–218**
Other comprehensive income (after tax)	**–1,912**	**913**	**–855**	**–515**
Total comprehensive income	**–399**	**1,914**	**–355**	**–426**
attributable to Deutsche Post AG shareholders	–494	1,782	–400	–457
attributable to non-controlling interests	95	132	45	31

33 BALANCE SHEET

€m	31 Dec. 2014	30 Sept. 2015
ASSETS		
Intangible assets	12,352	12,390
Property, plant and equipment	7,177	7,379
Investment property	32	32
Investments accounted for using the equity method	75	78
Non-current financial assets	1,363	1,107
Other non-current assets	151	172
Deferred tax assets	1,752	1,952
Non-current assets	**22,902**	**23,110**
Inventories	332	371
Current financial assets	351	195
Trade receivables	7,825	7,713
Other current assets	2,415	2,618
Income tax assets	172	197
Cash and cash equivalents	2,978	2,073
Assets held for sale	4	17
Current assets	**14,077**	**13,184**
Total ASSETS	**36,979**	**36,294**
EQUITY AND LIABILITIES		
Issued capital	1,210	1,211
Capital reserves	2,339	2,333
Other reserves	−341	−107
Retained earnings	6,168	6,697
Equity attributable to Deutsche Post AG shareholders	9,376	10,134
Non-controlling interests	204	212
Equity	**9,580**	**10,346**
Provisions for pensions and similar obligations	7,226	6,224
Deferred tax liabilities	84	101
Other non-current provisions	1,556	1,489
Non-current provisions	8,866	7,814
Non-current financial liabilities	4,683	4,655
Other non-current liabilities	255	262
Non-current liabilities	4,938	4,917
Non-current provisions and liabilities	**13,804**	**12,731**
Current provisions	1,545	1,451
Current financial liabilities	486	674
Trade payables	6,922	6,107
Other current liabilities	4,196	4,529
Income tax liabilities	446	456
Liabilities associated with assets held for sale	0	0
Current liabilities	12,050	11,766
Current provisions and liabilities	**13,595**	**13,217**
Total EQUITY AND LIABILITIES	**36,979**	**36,294**

34 CASH FLOW STATEMENT

1 January to 30 September

€m	9M 2014 adjusted[1]	9M 2015	Q3 2014 adjusted[1]	Q3 2015
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	1,431	870	468	49
Consolidated net profit for the period attributable to non-controlling interests	82	131	32	40
Income taxes	288	198	95	18
Net finance costs	259	255	82	90
Profit from operating activities (EBIT)	**2,060**	**1,454**	**677**	**197**
Depreciation, amortisation and impairment losses	1,048	1,285	312	640
Net income from disposal of non-current assets	−14	−240	−4	−12
Non-cash income and expense	−33	−7	−42	−52
Change in provisions	−644	−562	−313	−204
Change in other non-current assets and liabilities	−6	10	−1	22
Dividend received	0	1	0	1
Income taxes paid	−391	−408	−131	−131
Net cash from operating activities before changes in working capital	**2,020**	**1,533**	**498**	**461**
Changes in working capital				
Inventories	46	−11	35	−19
Receivables and other current assets	−897	−80	52	462
Liabilities and other items	212	−305	229	−112
Net cash from operating activities	**1,381**	**1,137**	**814**	**792**
Subsidiaries and other business units	3	−1	3	1
Property, plant and equipment and intangible assets	116	78	44	14
Investments accounted for using the equity method and other investments	0	223	0	2
Other non-current financial assets	36	18	1	7
Proceeds from disposal of non-current assets	155	318	48	24
Subsidiaries and other business units	1	0	−2	0
Property, plant and equipment and intangible assets	−1,190	−1,444	−482	−472
Investments accounted for using the equity method and other investments	0	0	0	0
Other non-current financial assets	−81	−41	−36	−4
Cash paid to acquire non-current assets	−1,270	−1,485	−520	−476
Interest received	37	33	10	11
Current financial assets	589	211	−4	−10
Net cash used in investing activities	**−489**	**−923**	**−466**	**−451**
Proceeds from issuance of non-current financial liabilities	10	10	1	4
Repayments of non-current financial liabilities	−943	−22	−4	−5
Change in current financial liabilities	28	72	−89	37
Other financing activities	26	−18	−19	27
Proceeds from transactions with non-controlling interests	0	0	0	0
Cash paid for transactions with non-controlling interests	−34	−8	−34	−2
Dividend paid to Deutsche Post AG shareholders	−968	−1,030	0	0
Dividend paid to non-controlling interest holders	−94	−80	−7	−74
Purchase of treasury shares	−45	−31	0	0
Proceeds from issuing shares or other equity instruments	22	0	5	0
Interest paid	−117	−7	−16	−19
Net cash used in financing activities	**−2,115**	**−1,114**	**−163**	**−32**
Net change in cash and cash equivalents	**−1,223**	**−900**	**185**	**309**
Effect of changes in exchange rates on cash and cash equivalents	−56	−5	68	−49
Changes in cash and cash equivalents associated with assets held for sale	0	0	0	0
Changes in cash and cash equivalents due to changes in consolidated group	0	0	0	0
Cash and cash equivalents at beginning of reporting period	3,414	2,978	1,882	1,813
Cash and cash equivalents at end of reporting period	**2,135**	**2,073**	**2,135**	**2,073**

[1] Note 4.

35 STATEMENT OF CHANGES IN EQUITY

1 January to 30 September

€m	Issued capital	Capital reserves	Other reserves: IFRS 3 revaluation reserve	Other reserves: IAS 39 revaluation reserve	Other reserves: IAS 39 hedging reserve	Other reserves: Currency translation reserve	Retained earnings	Equity attributable to Deutsche Post AG shareholders	Non-controlling interests	Total equity
Balance at 1 January 2014	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	–93	–1,061
Transactions with non-controlling interests	0	0	0	0	0	0	25	25	–25	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-based payment schemes (issuance)	0	39	0	0	0	0	0	39	0	39
Share-based payment schemes (exercise)	2	–31	0	0	0	0	29	0	0	0
								–932	**–111**	**–1,043**
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	1,431	1,431	82	1,513
Currency translation differences	0	0	0	0	0	377	0	377	13	390
Change due to remeasurements of net pension provisions	0	0	0	0	0	0	–2,324	–2,324	0	–2,324
Other changes	0	0	–1	109	–87	0	1	22	0	22
								–494	**95**	**–399**
Balance at 30 September 2014	**1,210**	**2,293**	**1**	**177**	**–50**	**–547**	**5,334**	**8,418**	**174**	**8,592**
Balance at 1 January 2015	1,210	2,339	0	170	–28	–483	6,168	9,376	204	9,580
Capital transactions with owner										
Dividend	0	0	0	0	0	0	–1,030	–1,030	–122	–1,152
Transactions with non-controlling interests	0	0	0	0	0	0	–5	–5	–2	–7
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	0	0
Issue of shares or other equity instruments	0	0	0	0	0	0	0	0	0	0
Purchase of treasury shares	–1	0	0	0	0	0	–30	–31	0	–31
Share-based payment schemes (issuance)	0	42	0	0	0	0	0	42	0	42
Share-based payment schemes (exercise)	2	–48	0	0	0	0	46	0	0	0
								–1,024	**–124**	**–1,148**
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	870	870	131	1,001
Currency translation differences	0	0	0	0	0	336	0	336	7	343
Change due to remeasurements of net pension provisions	0	0	0	0	0	0	678	678	–6	672
Other changes	0	0	0	–114	12	0	0	–102	0	–102
								1,782	**132**	**1,914**
Balance at 30 September 2015	**1,211**	**2,333**	**0**	**56**	**–16**	**–147**	**6,697**	**10,134**	**212**	**10,346**

SELECTED EXPLANATORY NOTES

Company information
Deutsche Post AG is a listed corporation domiciled in Bonn, Germany. The condensed consolidated interim financial statements of Deutsche Post AG and its subsidiaries cover the period from 1 January to 30 September 2015 and have been reviewed.

BASIS OF PREPARATION

1 Basis of accounting

The accompanying condensed consolidated interim financial statements as at 30 September 2015 were prepared in accordance with section 37x (3) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) and 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 2015 are not necessarily an indication of how business will develop in the future.

The accounting policies applied to the condensed consolidated interim financial statements are generally based on the same accounting policies used in the consolidated financial statements for financial year 2014.

The assumptions made in connection with the Group's defined benefit retirement plans changed as of the beginning of 2015. These changes relate to refinements in the determination of discount rates.

Firstly, separate discount rates were introduced in principle for calculating the present value of the defined benefit obligations and the current service cost. This reflects any differences in the terms of these parameters, where applicable. Secondly, generation of the yield curve for the eurozone, which is based on the yields of AA-rated corporate bonds, was enhanced. This led to minor changes in extrapolation. Furthermore, the derivation of the discount rates for the UK shifted to take the duration into account. The first change did not have any significant impact on Deutsche Post DHL Group as at 30 September 2015. The combined second and third changes reduced the present value of the Group's defined benefit obligations as at 30 September 2015 by approximately €650 million and lifted other comprehensive income (before tax) by the same amount – in contrast, this would not have had any impact as at 31 December 2014.

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.

For further information on the accounting policies applied, please refer to the consolidated financial statements for the year ended 31 December 2014, on which these interim financial statements are based.

Newly applicable accounting standards
Departures from the accounting policies applied in financial year 2014 consist of the new or amended international accounting pronouncements under IFRSs required to be applied for the first time since financial year 2015.

IFRIC 21 Levies
This interpretation provides guidance on when to recognise a liability for a levy imposed by a government. It covers the recognition of levies imposed in accordance with laws or regulations. It does not include taxes, fines and other outflows that fall within the scope of other standards. The effects of this interpretation on the consolidated financial statements are immaterial.

Annual Improvements to IFRSs (2011–2013 Cycle)
The annual improvement process refers to the following standards: IFRS 1, IFRS 3, IFRS 13 and IAS 40. The amendments do not have a significant influence on the consolidated financial statements.

Detailed explanations on the newly applicable accounting standards can be found in the 2014 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 Group companies are consolidated from the date on which Deutsche Post DHL Group is able to exercise control.

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

Consolidated group

	31 Dec. 2014	30 Sept. 2015
Number of fully consolidated companies (subsidiaries)		
German	90	138
Foreign	685	667
Number of joint operations		
German	1	1
Foreign	1	1
Number of investments accounted for using the equity method		
German	1	1
Foreign	14	15

At the start of financial year 2015, Deutsche Post DHL Group formed 49 regional companies under the umbrella of DHL Delivery GmbH, in order to accommodate the increased demand for labour in the parcel business, which is experiencing consistent growth.

2.1 Acquisitions

Acquisitions in the period up to 30 September 2015

In the period up to 30 September 2015, there were no acquisitions or payments for companies acquired in previous years.

Acquisitions in the period up to 30 September 2014

In the prior-year period, DHL Global Forwarding & Co. LLC (DHL Oman), Oman, which was previously accounted for using the equity method, was consolidated starting in May 2014 due to contractual changes.

Acquisitions, 2014

Name	Country	Segment	Interest %	Date of acquisition
DHL Global Forwarding & Co. LLC (DHL Oman), Muscat	Oman	Global Forwarding, Freight	40	7 May 2014

Insignificant acquisitions, 2014

€m 1 January to 30 September	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 amount.

Payments for companies acquired in previous years amounted to €3 million in the period up to 30 September 2014.

2.2 Disposal and deconsolidation effects

Disposal and deconsolidation effects in the period up to 30 September 2015

There were no disposal and deconsolidation effects in the period up to 30 September 2015.

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

The disposal and deconsolidation effects in the period up to 30 September 2014 were as follows:

Disposal and deconsolidation effects, 2014

€m 1 January to 30 September	Hull Blyth
ASSETS	
Non-current assets	1
Current assets	3
Cash and cash equivalents	0
	4
EQUITY AND LIABILITIES	
Current provisions and liabilities	2
	2
Net assets	2
Total consideration received	2
Income from the currency translation reserve	0
Deconsolidation gain	0

GLOBAL FORWARDING, FREIGHT SEGMENT

In July 2014, activities not forming part of the core business of Hull Blyth (Angola) Ltd., Angola, including the related non-current assets and the company Hull Blyth Angola Viagens e Turismo Lda., Angola, were sold. The assets and liabilities had previously been reclassified as held for sale in accordance with IFRS 5. The most recent measurement prior to reclassification did not indicate any impairment.

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

3 Significant transactions

In the first half of 2015, 4.16% of the shares in Sinotrans Ltd., China, and shares in the property development companies King's Cross Central Property Trust and King's Cross Central General Partner Ltd., UK, were sold. The gains on the disposal of the shares are reported in other operating income, Note 5.

The likelihood that DHL Global Forwarding will be able to realise benefits from the use of the New Global Forwarding (NFE) system in its current state is low. A major portion of the assets capitalised in relation to NFE has therefore been written down in full, Note 6. In addition, provisions of €37 million have been recognised in this context. They relate to unavoidable expenses from ongoing contracts where the obligations exceed the economic benefits, and are reported as materials expense.

4 Adjustment of prior-period amounts

The net income from investments accounted for using the equity method item in the income statement was reclassified from net finance costs to profit from operating activities (EBIT) in the fourth quarter of 2014. The figures for the prior-year period were adjusted in the presentation. Further information can be found in the 2014 Annual Report, Note 4.

Income statement adjustments 1 January to 30 September 2014

€m	9M 2014	Adjustment	9M 2014 adjusted
Net income from investments accounted for using the equity method	–	3	3
Profit from operating activities (EBIT)	2,057	3	2,060
Net income from investments accounted for using the equity method	3	−3	–
Net finance costs	−256	−3	−259

INCOME STATEMENT DISCLOSURES

5 Other operating income

€m	9M 2014	9M 2015
Gains on disposal of non-current assets	40	264
Income from currency translation	105	212
Reversals of impairment losses on receivables and other assets	65	168
Income from the reversal of provisions	229	155
Insurance income	128	133
Income from fees and reimbursements	104	101
Income from work performed and capitalised	80	93
Commission income	90	91
Rental and lease income	93	83
Income from the remeasurement of liabilities	111	51
Income from derivatives	56	25
Income from loss compensation	18	19
Income from the derecognition of liabilities	30	18
Income from prior-period billings	21	18
Recoveries on receivables previously written off	6	8
Subsidies	7	5
Miscellaneous	282	274
Total	**1,465**	**1,718**

Of the gains on the disposal of non-current assets, €99 million relates to the sale of the shares held in Sinotrans Ltd., China, and €74 million to the sale of shares in UK companies King's Cross Central Property Trust and King's Cross Central General Partner Ltd.

The increase in income from currency translation is largely due to the change in the exchange rate for the euro.

During the exit from the US domestic Express business, impairment losses had been recognised on non-current assets. Following the reorientation of business and the successful conclusion of the Express strategy 2010–2015, the assets were again tested for impairment, resulting in a reversal of impairment losses in the amount of €90 million.

Income from the reversal of provisions in financial year 2015 relates, amongst other things, to a reduction in a provision for HR-related risks and the reassessment of the probability that a tax obligation in Asia would occur. The latter fell to a level that allowed the relevant provision to be reversed. In the previous year, the main factor influencing income from the reversal of provisions was a change in the estimated settlement payment obligations assumed in the context of the restructuring measures in the USA.

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

6 Depreciation, amortisation and impairment losses

€m	9M 2014	9M 2015
Depreciation, amortisation and impairment losses	1,048	1,285

Depreciation, amortisation and impairment losses rose to €237 million, due to impairment losses on the NFE transformation programme.

Impairment losses amounted to €311 million (previous year: €118 million); they can be broken down at the segment level as follows:

Impairment losses

€m	9M 2014	9M 2015
PeP		
Software	5	0
Express		
Property, plant and equipment	106	0
Global Forwarding, Freight		
Software	0	308
Supply Chain		
Property, plant and equipment	1	0
Corporate Center/Other		
Software	6	0
Property, plant and equipment	0	3
Impairment losses	**118**	**311**

Of the €311 million in impairment losses, €308 million relates to the NFE transformation programme. The impairment losses of €3 million recognised for Corporate Center/Other largely relate to land and buildings. The impairment losses recorded in the Express segment in the previous year related exclusively to aircraft and aircraft parts.

7 Other operating expenses

€m	9M 2014	9M 2015
Expenses for advertising and public relations	267	303
Cost of purchased cleaning and security services	237	266
Travel and training costs	237	257
Insurance costs	198	251
Write-downs of current assets	156	210
Currency translation expenses	106	205
Warranty expenses, refunds and compensation payments	179	191
Telecommunication costs	163	176
Other business taxes	184	171
Office supplies	124	139
Consulting costs (including tax advice)	113	128
Services provided by the *Bundesanstalt für Post und Telekommunikation* (German federal post and telecommunications agency)	66	123
Entertainment and corporate hospitality expenses	100	119
Expenses from derivatives	32	98
Customs clearance-related charges	63	81
Contributions and fees	63	70
Voluntary social benefits	59	62
Legal costs	41	57
Commissions paid	51	46
Monetary transaction costs	29	36
Losses on disposal of assets	28	26
Audit costs	21	25
Donations	17	19
Prior-period other operating expenses	7	8
Miscellaneous	280	305
Total	**2,821**	**3,372**

The increase in currency translation expenses is primarily due to the change in the exchange rate for the euro.

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

8 Net income from investments accounted for using the equity method

€m	9M 2014	9M 2015
Net income from associates	3	2
Net income from joint ventures	0	0
Net income from investments accounted for using the equity method	**3**	**2**

9 Earnings per share

Basic earnings per share in the reporting period were €0.72 (previous year: €1.18).

Basic earnings per share

		9M 2014	9M 2015
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	1,431	870
Weighted average number of shares outstanding	shares	1,209,452,954	1,210,431,811
Basic earnings per share	€	**1.18**	**0.72**

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 executives' rights to shares under the share-based payment systems (as at 30 September 2015: 4,440,237 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 €0.69 (previous year: €1.14).

Diluted earnings per share

		9M 2014	9M 2015
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	1,431	870
Plus interest expense on convertible bond	€m	4	4
Less income taxes	€m	0[1]	1
Adjusted consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	1,435	873
Weighted average number of shares outstanding	shares	1,209,452,954	1,210,431,811
Potentially dilutive shares	shares	52,516,122	51,676,855
Weighted average number of shares for diluted earnings	shares	1,261,969,076	1,262,108,666
Diluted earnings per share	€	**1.14**	**0.69**

[1] Rounded below €1 million.

BALANCE SHEET DISCLOSURES

10 Intangible assets and property, plant and equipment

Investments in intangible assets (not including goodwill) and property, plant and equipment amounted to €1,242 million in the period up to 30 September 2015 (previous year: €1,005 million).

Investments

€m

	30 Sept. 2014	30 Sept. 2015
Intangible assets (not including goodwill)	187	172
Property, plant and equipment		
Land and buildings (incl. leasehold improvements)	64	59
Technical equipment and machinery	44	67
Transport equipment	176	71
Aircraft	31	27
IT equipment	45	75
Operating and office equipment	38	52
Advance payments and assets under development	420	719
	818	1,070
Total	**1,005**	**1,242**

Goodwill changed as follows in the reporting period:

Change in goodwill

€m

	2014	2015
Cost		
Balance at 1 January	11,770	12,247
Additions from business combinations	2	0
Disposals	–2	0
Currency translation differences	477	337
Balance at 31 December/30 September	**12,247**	**12,584**
Depreciation, amortisation and impairment losses		
Balance at 1 January	1,097	1,138
Disposals	0	0
Currency translation differences	41	14
Balance at 31 December/30 September	**1,138**	**1,152**
Carrying amount at 31 December/30 September	**11,109**	**11,432**

11 Investments accounted for using the equity method

Investments accounted for using the equity method changed as follows:

€m	Associates		Joint ventures		Total	
	2014	2015	2014	2015	2014	2015
Balance at 1 January	62	69	6	6	68	75
Additions	0	0	0	1	0	1
Disposals	–2	0	0	0	–2	0
Changes in Group's share of equity						
Changes recognised in profit or loss	5	2	0	0	5	2
Profit distributions	0	–1	0	0	0	–1
Changes recognised in other comprehensive income	4	1	0	0	4	1
Carrying amount at 31 December/30 September	**69**	**71**	**6**	**7**	**75**	**78**

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

The amounts reported under this balance sheet item mainly relate to the following:

€m	Assets		Liabilities	
	31 Dec. 2014	30 Sept. 2015	31 Dec. 2014	30 Sept. 2015
DHL Supply Chain Limited, UK – real estate (Supply Chain segment)	0	12	0	0
Exel Inc., USA – real estate (Supply Chain segment)	4	4	0	0
Blue Dart Express Limited, India – aircraft (PeP segment)	0	1	0	0
DHL Aviation (Netherlands) B.V., Netherlands – aircraft (Express segment)	0	0	0	0
Assets held for sale and liabilities associated with assets held for sale	**4**	**17**	**0**	**0**

King's Cross

The sale of the shares of King's Cross Central Property Trust and King's Cross Central General Partner Ltd., UK, held by the Supply Chain division, was legally completed in April 2015. The shares had been classified as held for sale as at 31 March 2015.

DHL Supply Chain Limited

The company plans to sell properties under a sale and leaseback transaction. The most recent measurement prior to reclassification did not indicate any impairment.

Exel Inc.

The company plans to sell properties. The most recent measurement prior to reclassification did not indicate any impairment.

Blue Dart Express Limited

The company plans to sell one aircraft. 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 eleven aircraft. The most recent measurement prior to reclassification led to an impairment loss of €102 million in financial year 2014.

The intention in July 2015 to sell the German company IntelliAd Media GmbH was withdrawn.

13 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 September 2015. The remaining 79% of the shares are in free float. KfW holds the shares in trust for the Federal Republic of Germany.

Issued capital

€

	2014	2015
Balance at 1 January	1,209,015,874	1,209,672,789
Addition due to capital increases	2,164,388	0
Addition due to contingent capital increase (convertible bond)	0	4,832
Treasury shares acquired	–3,158,717	–1,044,990
Treasury shares issued	1,651,244	2,552,463
Balance at 31 December/30 September	**1,209,672,789**	**1,211,185,094**

The issued capital is composed of 1,211,185,094 no-par value registered shares (ordinary shares) with a notional interest in the share capital of €1.00 per share, and is fully paid up.

At the beginning of April 2015, 4,832 new shares were created as a result of conversion rights under the convertible bond 2012 being exercised and were transferred to the bond creditors.

Deutsche Post AG acquired treasury shares in the amount of €31 million at an average purchase price of €29.42 per share in order to settle the 2014 tranche of the Share Matching Scheme.

The company increased its share capital in 2014 to settle claims to matching shares under the 2010 tranche.

The treasury shares were issued to the executives concerned in April 2015.

In addition, a further 7,155 shares were acquired at a price of €26.86 to settle claims to matching shares and issued to persons who have since left the Group.

Deutsche Post AG held no treasury shares as at 30 September 2015.

14 Capital reserves

An amount of €42 million was added to the capital reserves in the period up to 30 September 2015. Of this amount, €35 million was attributable to the Share Matching Scheme and €7 million to the Performance Share Plan.

Capital reserves

€m

	2014	2015
Capital reserves at 1 January	2,269	2,339
Addition/issue of rights under Share Matching Scheme		
2009 tranche	1	0
2010 tranche	4	1
2011 tranche	4	3
2012 tranche	4	3
2013 tranche	21	3
2014 tranche	10	25
Total additions	44	35
Exercise of rights under Share Matching Scheme		
2009 tranche – matching shares	–8	0
2010 tranche – matching shares	0	–20
2013 tranche – investment and incentive shares	–23	0
2014 tranche – investment and incentive shares	0	–28
Total exercised	–31	–48
Total for Share Matching Scheme	**13**	**–13**
Addition/issue of rights under Performance Share Plan		
2014 tranche	3	6
2015 tranche	0	1
Total for Performance Share Plan	**3**	**7**
Capital increases	54	0
Capital reserves at 31 December/30 September	**2,339**	**2,333**

The exercise of the rights to shares under the 2010 and 2014 tranches of the Share Matching Scheme reduced the capital reserves by €48 million (as at 31 December 2014: €31 million) due to the issuance of treasury shares in this amount to the executives.

15 Retained earnings

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

Retained earnings

€m

	2014	2015
Retained earnings at 1 January	7,183	6,168
Dividend payment	–968	–1,030
Consolidated net profit for the period	2,071	870
Change due to remeasurements of net pension provisions	–2,061	678
Transactions with non-controlling interests	–6	–5
Miscellaneous other changes	–51	16
Retained earnings at 31 December/30 September	**6,168**	**6,697**

The dividend payment to Deutsche Post AG shareholders of €1,030 million was made in May 2015. This corresponded to a dividend of €0.85 per share.

SEGMENT REPORTING

16 Segment reporting

Segments by division

€m		PeP		Express		Global Forwarding, Freight		Supply Chain		Corporate Center/ Other		Consolidation[1]		Group
1 Jan. to 30 Sept.	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
External revenue	11,231	11,518	8,803	9,744	10,453	10,649	10,719	11,917	59	63	0	0	41,265	43,891
Internal revenue	102	100	277	279	511	505	65	75	880	882	–1,835	–1,841	0	0
Total revenue	11,333	11,618	9,080	10,023	10,964	11,154	10,784	11,992	939	945	–1,835	–1,841	41,265	43,891
Profit/loss from operating activities (EBIT)[2]	873	616	912	1,072	222	–280	304	273	–251	–226	0	–1	2,060	1,454
of which net income from investments accounted for using the equity method	0	0	0	1	2	0	1	1	0	0	0	0	3	2
Segment assets[3]	5,384	5,559	8,644	8,953	8,488	8,151	6,401	6,722	1,630	1,551	–200	–196	30,347	30,740
of which investments accounted for using the equity method[2]	6	6	43	46	24	23	2	3	0	0	0	0	75	78
Segment liabilities[3,4]	2,611	2,716	2,985	2,749	3,188	2,999	3,132	3,005	1,007	876	–166	–160	12,757	12,185
Capex	207	324	275	496	128	101	196	220	199	101	0	0	1,005	1,242
Depreciation and amortisation	249	233	260	283	65	64	196	224	160	171	0	–1	930	974
Impairment losses	5	0	106	0	0	308	1	0	6	3	0	0	118	311
Total depreciation, amortisation and impairment losses	254	233	366	283	65	372	197	224	166	174	0	–1	1,048	1,285
Other non-cash expenses	154	177	128	109	69	138	61	136	47	25	0	0	459	585
Employees[5]	164,582	168,266	73,009	78,418	44,311	44,830	146,400	145,845	12,507	10,709	0	0	440,809	448,068
Q3														
External revenue	3,697	3,775	3,016	3,232	3,631	3,419	3,637	3,979	20	19	0	0	14,001	14,424
Internal revenue	34	30	96	96	172	168	23	26	301	299	–626	–619	0	0
Total revenue	3,731	3,805	3,112	3,328	3,803	3,587	3,660	4,005	321	318	–626	–619	14,001	14,424
Profit/loss from operating activities (EBIT)[2]	288	142	305	364	71	–337	110	101	–97	–73	0	0	677	197
of which net income from investments accounted for using the equity method	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Capex	107	133	151	267	46	27	69	84	121	37	0	–1	494	547
Depreciation and amortisation	72	79	82	98	22	20	69	75	54	57	0	0	299	329
Impairment losses	5	0	2	0	0	308	0	0	6	3	0	0	13	311
Total depreciation, amortisation and impairment losses	77	79	84	98	22	328	69	75	60	60	0	0	312	640
Other non-cash expenses	61	71	34	38	27	58	20	44	7	6	0	0	149	217

[1] Including rounding.
[2] Note 4.
[3] As at 31 December 2014 and 30 September 2015.
[4] Including non-interest-bearing provisions.
[5] Average FTEs; prior-period amount corresponds to that of financial year 2014.

Information about geographical areas

€m	Germany		Europe (excluding Germany)		Americas		Asia Pacific		Other regions		Group	
1 January to 30 September	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
External revenue	12,565	12,638	13,574	14,392	6,845	7,624	6,641	7,479	1,640	1,758	**41,265**	**43,891**
Non-current assets[1]	5,532	5,158	6,915	7,126	3,515	3,782	3,289	3,432	373	375	**19,624**	**19,873**
Capex	584	568	163	332	123	176	101	137	34	29	**1,005**	**1,242**
Q3												
External revenue	4,143	4,140	4,620	4,783	2,308	2,490	2,377	2,453	553	558	**14,001**	**14,424**
Capex	301	222	57	191	52	67	68	57	16	10	**494**	**547**

[1] As at 31 December 2014 and 30 September 2015.

Segment reporting disclosures

Deutsche Post DHL Group 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 Group'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	9M 2014 adjusted[1]	9M 2015
Total income of reportable segments	2,311	1,681
Corporate Center/Other	−251	−226
Reconciliation to Group/Consolidation	0	−1
Profit from operating activities (EBIT)	**2,060**	**1,454**
Net finance costs	**−259**	**−255**
Profit before income taxes	**1,801**	**1,199**
Income taxes	−288	−198
Consolidated net profit for the period	**1,513**	**1,001**

[1] Note 4.

OTHER DISCLOSURES

17 Share-based payment

17.1 Share Matching Scheme

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 on this payment system is contained in the 2014 Annual Report, Note 54. The Board of Management will decide in the fourth quarter of 2015 on whether the Share Matching Scheme will be offered in 2016.

Share Matching Scheme

		2010 tranche	2011 tranche	2012 tranche	2013 tranche	2014 tranche
Grant date of incentive shares and associated matching shares		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 2011	1 April 2012	1 April 2013	1 April 2014	1 April 2015
Term	months	63	63	63	63	63
End of term		March 2015	March 2016	March 2017	March 2018	March 2019
Share price at grant date (fair value)						
Incentive shares and associated matching shares	€	13.98	12.90	12.13	17.02	25.91
Matching shares awarded for investment shares	€	12.91	14.83	18.22	27.18	29.12

The claims to the matching shares under the 2010 tranche were settled in April 2015. In financial year 2014, the Group increased its share capital for this purpose. It also acquired treasury shares in the first half of 2015 in preparation for settling the 2014 tranche (investment and incentive shares). A total of 2.5 million treasury shares was issued to the executives concerned to settle the two tranches.

17.2 Performance Share Plan

The Annual General Meeting on 27 May 2014 resolved to introduce the Performance Share Plan (PSP) for executives. This plan replaces the share-based payment system (SAR Plan) for selected executives that existed until 2014. Under the PSP, shares are issued to participants at the end of the waiting period. More detailed information on this payment system is contained in the 2014 Annual Report, Note 54.

Performance Share Plan

		2014 tranche	2015 tranche
Grant date		1 Sept. 2014	1 Sept. 2015
Term	months	48	48
End of term		31 Aug. 2018	31 Aug. 2019

17.3 SAR (Stock Appreciation Rights) Plan

From July 2006 to August 2013, selected executives received annual tranches of SARs under the SAR Plan. SARs have not been issued to executives since 2014. All earlier tranches issued under the old SAR Plan remain valid. The Long-Term Incentive Plan (LTIP 2006) for Board of Management members continues to apply. The SAR provisions amounted to €165 million as at 30 September 2015 (31 December 2014: €271 million).

18 Cash flow statement

Interest rate swaps for Deutsche Post AG and Deutsche Post Finance B. V. bonds were unwound in the first quarter of 2015; this led to a cash inflow. Under IAS 7.16, these inflows are accounted for in the same way as the underlying hedged transaction.

In the period up to 30 September 2015, 14 properties were contributed to Deutsche Post Pensions-Treuhand GmbH & Co. KG. Although income was recognised as a result of the contribution, no cash or cash equivalents were received. In accordance with IAS 7.43 and 7.44, they are therefore not included in the cash flow statement.

19 Disclosures on financial instruments

The following table presents financial instruments recognised at fair value and financial instruments whose fair value is required to be disclosed, both 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 September 2015				
Financial assets				
Non-current financial assets	140	881	75	**1,096**
Current financial assets	20	64	0	**84**
Total	**160**	**945**	**75**	**1,180**
Financial liabilities				
Non-current liabilities	4,841	369	0	**5,210**
Current liabilities	0	93	0	**93**
Total	**4,841**	**462**	**0**	**5,303**
31 December 2014				
Financial assets				
Non-current financial assets	246	961	132	**1,339**
Current financial assets	208	75	0	**283**
Total	**454**	**1,036**	**132**	**1,622**
Financial liabilities				
Non-current liabilities	5,004	409	0	**5,413**
Current liabilities	0	132	1	**133**
Total	**5,004**	**541**	**1**	**5,546**

[1] Quoted prices for identical instruments in active markets.
[2] Inputs other than quoted market prices that are directly or indirectly observable for instruments.
[3] Inputs not based on observable market data.

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 September 2015:

Unobservable inputs (Level 3)

€m	2014			2015		
	Assets	Liabilities		Assets	Liabilities	
	Equity instruments	Debt instruments	Derivatives, of which equity derivatives	Equity instruments	Debt instruments	Derivatives, of which equity derivatives
Balance at 1 January	93	0	2	132	0	1
Gains and losses (recognised in profit and loss)[1]	0	0	–1	0	0	–1
Gains and losses (recognised in OCI)[2]	45	0	0	30	0	0
Additions	0	0	0	0	0	0
Disposals	–14	0	0	–95	0	0
Currency translation effects	8	0	0	8	0	0
Balance at 31 December/30 September	**132**	**0**	**1**	**75**	**0**	**0**

[1] Fair value losses were recognised in finance costs, fair value gains in financial income.
[2] Unrealised gains and losses were recognised in the IAS 39 revaluation reserve.

Available-for-sale financial assets include shares in partnerships and corporations in the amount of €11 million (31 December 2014: €24 million) for which there is no active market. As future cash flows cannot be reliably determined, fair value cannot be determined using valuation techniques. There are no plans to sell or derecognise significant shares of the available-for-sale financial assets reported as at 30 September 2015 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	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 assets and liabilities not set off in the balance sheet: Financial liabilities 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 received	Total
Assets at 30 September 2015						
Derivative financial assets[1]	83	0	83	67	0	**16**
Trade receivables	7,866	153	7,713	0	0	**7,713**
Assets at 31 December 2014						
Derivative financial assets[1]	153	0	153	145	0	**8**
Trade receivables	7,954	129	7,825	0	0	**7,825**

[1] Excluding derivatives from M&A transactions.

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 September 2015						
Derivative financial liabilities[1]	97	0	97	67	0	**30**
Trade payables	6,260	153	6,107	0	0	**6,107**
Liabilities at 31 December 2014						
Derivative financial liabilities[1]	145	0	145	145	0	**0**
Trade payables	7,051	129	6,922	0	0	**6,922**

[1] Excluding derivatives from M&A transactions.

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. This 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 the parties to the agreement during a calendar year are summarised 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 show the receivables and payables before and after offsetting.

20 Contingent liabilities and other financial obligations

The Group's contingent liabilities have not changed significantly compared with 31 December 2014. The other financial obligations increased due to currency translation effects and to new leases signed, amongst other factors.

21 Related party disclosures

On 27 April 2015, Roger Crook stepped down from the Board of Management. Until the appointment of a new board member for the Global Forwarding, Freight division, Deutsche Post DHL Group's CEO, Dr Frank Appel, has taken over the corresponding tasks in a dual role. There were no other significant changes in related party disclosures as against 31 December 2014.

22 Other disclosures/events after the reporting date

The amendment to the *Post-Entgeltregulierungsverordnung* (PEntgV – German Regulation Governing the Regulation of Postal Rates) came into force on 6 June 2015. This specifies that, in future postal rate regulation procedures, Deutsche Post AG must be permitted an appropriate profit margin oriented on the returns on sales generated by European postal operators. Consequently, on 8 June 2015, Deutsche Post AG applied to the *Bundesnetzagentur* (BNetzA – the German federal network agency) to reopen the 2013 procedure for defining rate regulation benchmarks, with the aim of increasing the current leeway for setting prices (inflation rate minus 0.2%) for individual letter mailings and (domestic and export) special services. On 15 June 2015, the BNetzA resolved, on the basis of Deutsche Post AG's application, to reopen the procedure which could result in Deutsche Post AG having greater leeway to set prices than was previously the case. The BNetzA will hand down a decision after the deadline for commenting on the draft decision has expired.

On 5 November 2012, the *Bundeskartellamt* (German federal cartel office) initiated proceedings against Deutsche Post AG on suspicion of abusive behaviour with respect to agreements on mail transport with major customers. Based on information from Deutsche Post AG's competitors, the authorities suspected that the company had violated the provisions of German and European antitrust law. In a decree dated 6 July 2015, the *Bundeskartellamt* determined that such violations had indeed taken place, but also that Deutsche Post had discontinued them at the end of 2013. No fine was imposed. The company appealed the decision to the Higher Regional Court in Düsseldorf on 4 August 2015 and submitted a statement setting out the grounds of appeal within the prescribed period.

On 5 August 2015, the German Federal Administrative Court decided on the appeals by an association against the price approvals granted by the *Bundesnetzagentur* (BNetzA – the German federal network agency) under the price cap procedure for 2003, 2004 and 2005. The German Federal Administrative Court revoked the price approvals concerned in relation to the association as a customer of Deutsche Post. However, the price approvals of BNetzA concerned remain applicable to the general public and may no longer be contested. The legal risks (2014 Annual Report, Note 53) related to the pending appeals against the price approvals for 2008 and 2013, with the corresponding minor potential economic impact, continue to apply.

In its ruling of 18 September 2015, the General Court of the European Union held that the decision of the European Commission dated 12 September 2007 regarding the initiation of a formal state aid investigation was null and void based on a complaint filed by Deutsche Post AG. The legal action did not involve the substantive proceedings but rather the procedural side issue of whether the European Commission was acting within its rights in reopening the state aid proceedings in 2007. In 2007, Deutsche Post AG had filed an action against the reopening of the state aid proceedings as a precautionary measure. The substantive proceedings of the legal dispute will continue, i.e. the action brought by Deutsche Post AG against the EU state aid ruling of 25 January 2012 that is still pending before the General Court of the European Union.

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, 10 November 2015

Deutsche Post AG
The Board of Management

Dr Frank Appel — Ken Allen

Jürgen Gerdes — John Gilbert

Melanie Kreis — 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 September 2015, which are part of the quarterly financial report pursuant to section 37x (3) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, 10 November 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

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

GRAPHS AND TABLES

COVER

INTERIM GROUP MANAGEMENT REPORT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FINANCIAL CALENDAR

EVENTS 2016

9 MARCH	2015 Annual Report
11 MAY	Interim Report January to March 2016
18 MAY	2016 Annual General Meeting (Frankfurt am Main)
19 MAY	Dividend payment
3 AUG.	Interim Report January to June 2016
8 NOV.	Interim Report January to September 2016

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

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PUBLICATION SERVICE

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