Deutsche Post DHL

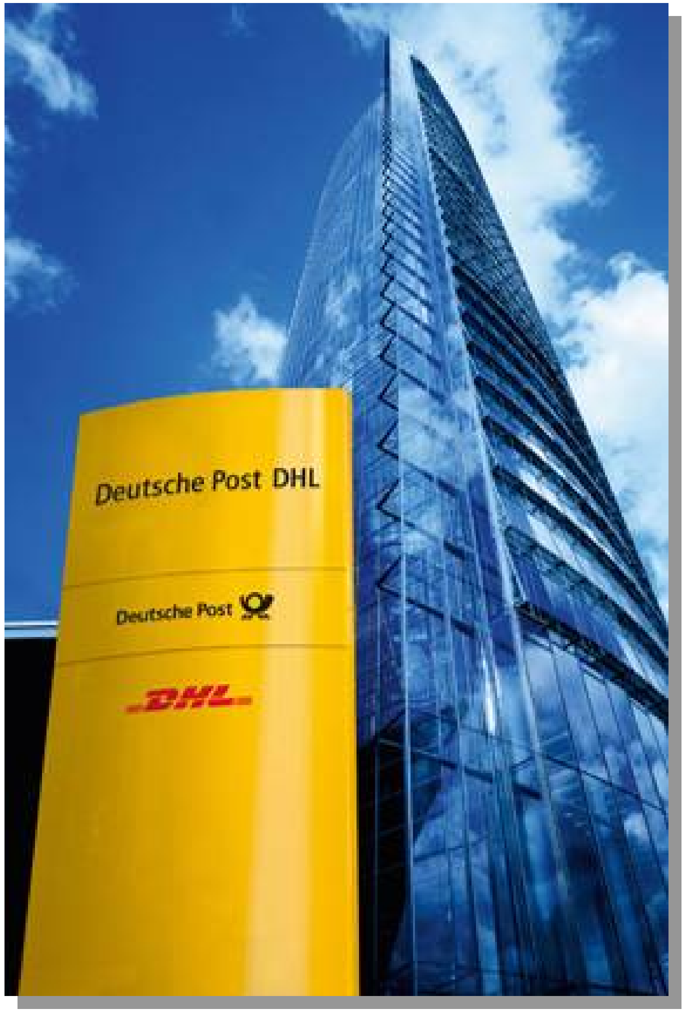
Deutsche Post DHL
Q4/FY 2010 Investor Relations package

March 10th, 2011

Agenda

Group level financial overview

Continuing operations



€ m	Q4/2009	Q4/2010	∆	Organic
Revenue	12,389	13,871	12%	8%
EBIT				
• Reported EBIT	-136	525	-	
• Underlying EBIT(1)	526	593	13%	
• Operating cash flow	974	1,025	5%	
• Capex	385	499	30%	

€ m	FY 2009	FY 2010	∆	Organic
Revenue	46,201	51,481	11%	8%
EBIT				
• Reported EBIT	231	1,835	>100%	
• Underlying EBIT(1)	1,473	2,205	50%	
• Operating cash flow	1,244	1,927	55%	
• Capex	1,171	1,262	8%	

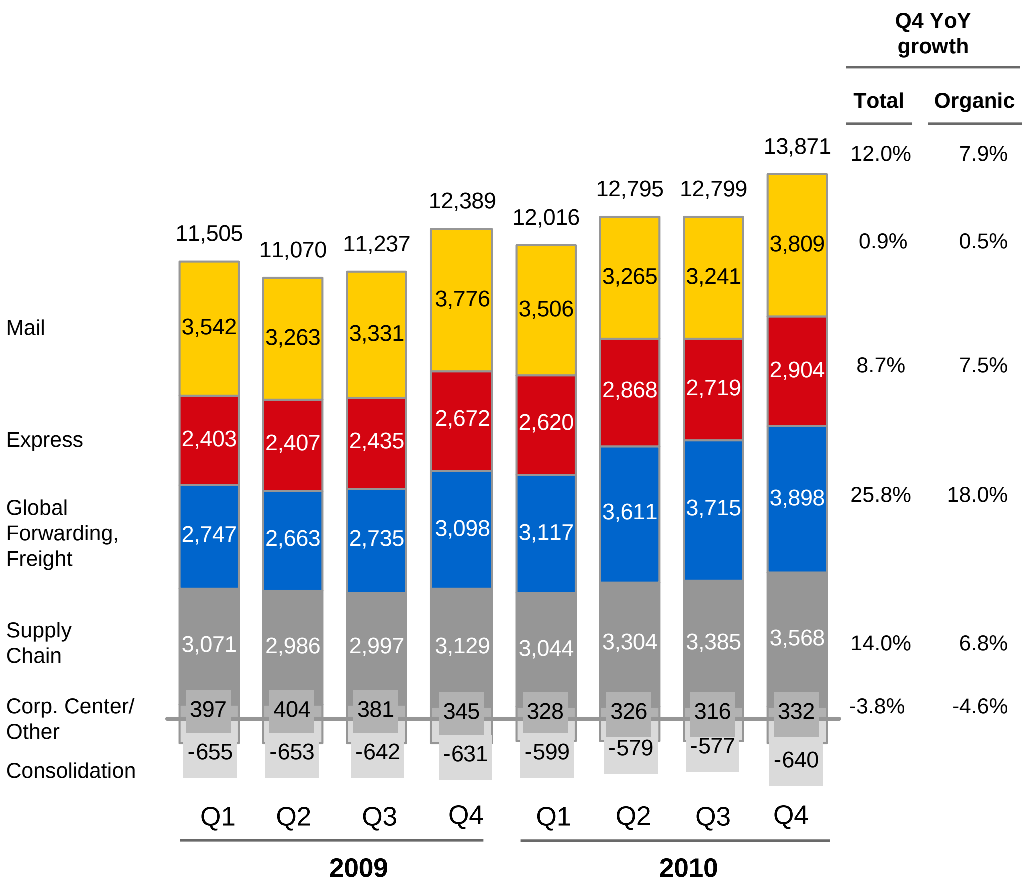
(1) Details about non-recurring effects can be found in the appendix

Overall strong organic revenue development driven by DHL

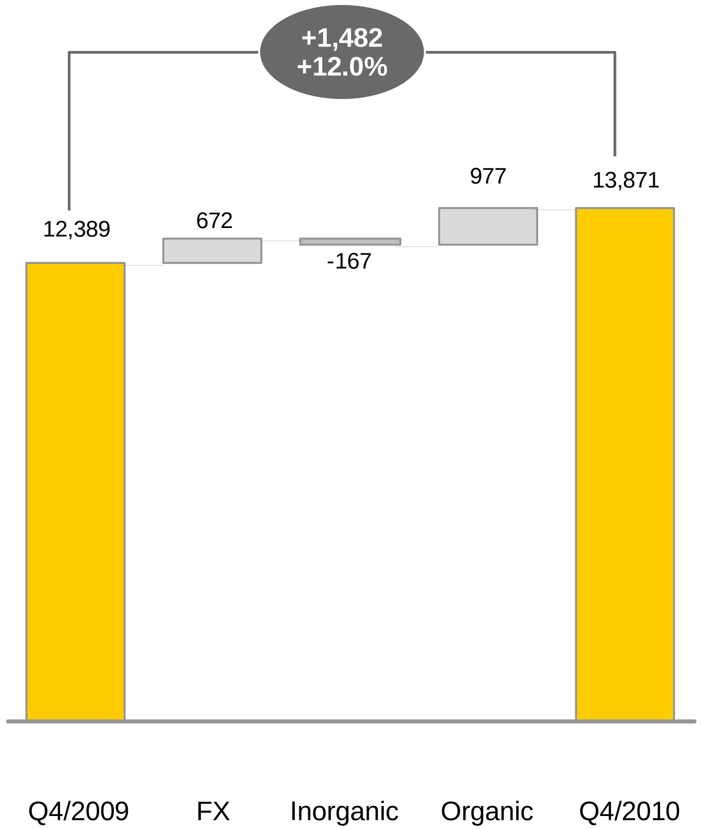
Group revenue overview

€ m

Quarterly revenue development



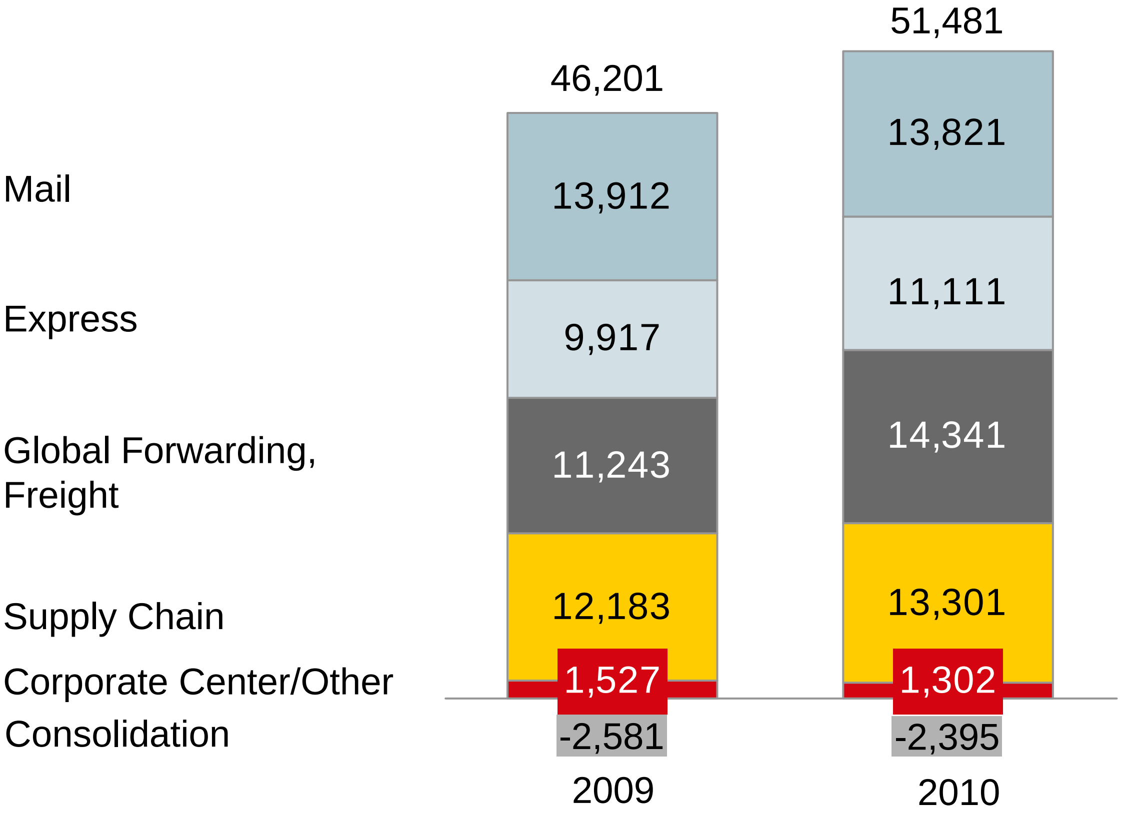
Revenue development Q4/2010 vs. Q4/2009



Overall strong organic revenue development driven by DHL

Group revenue overview (FY 2010 vs. FY 2009)

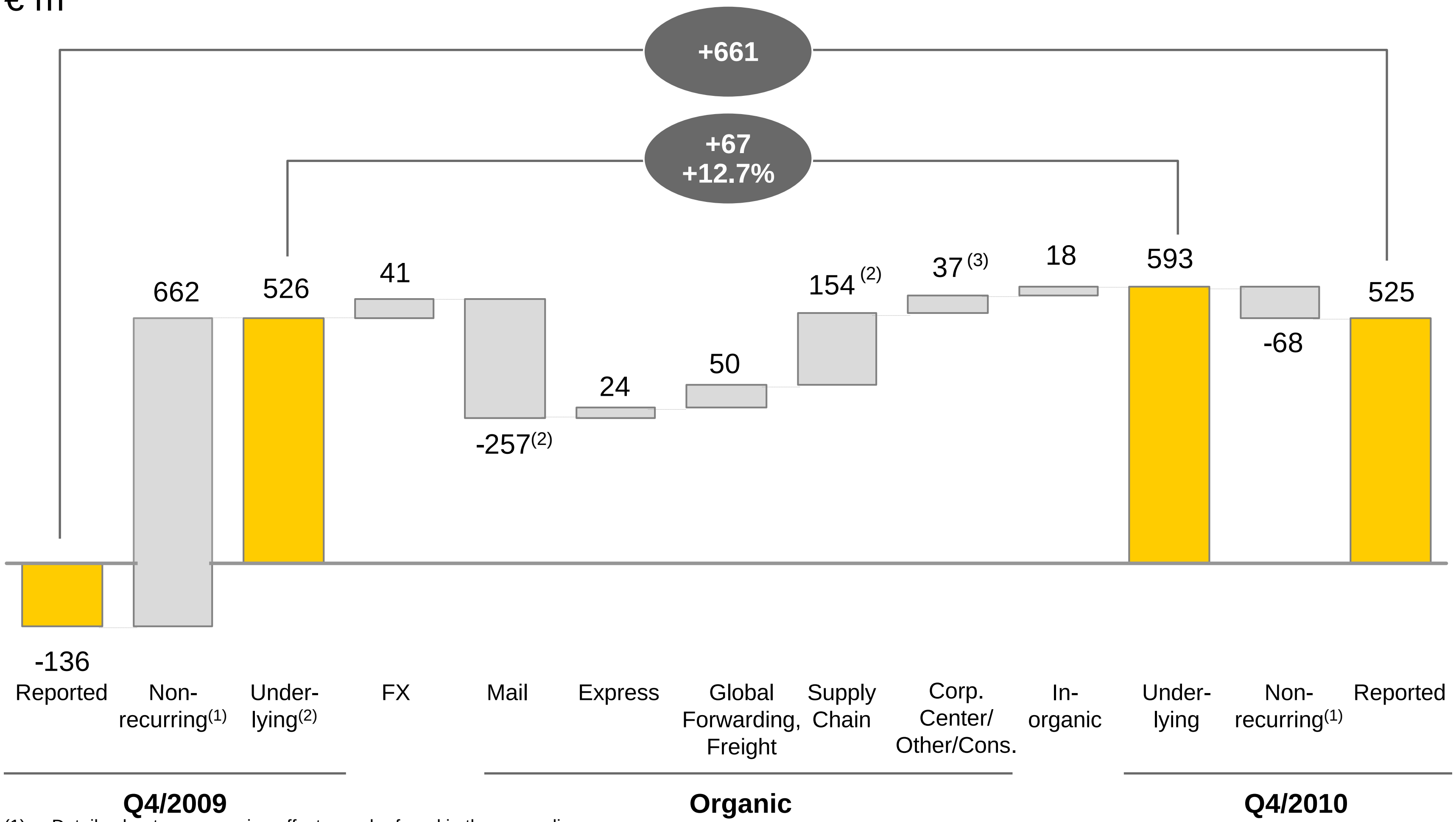
€ m



	YoY growth	
	Total	Organic
Group	11.4%	7.8%
Mail	-0.7%	-0.9%
Express	12.0%	9.8%
Global Forwarding, Freight	27.6%	20.9%
Supply Chain	9.2%	3.4%
Corporate Center/Other	-14.7%	-15.4%

Underlying EBIT development (Q4/2010 vs. Q4/2009)

€ m

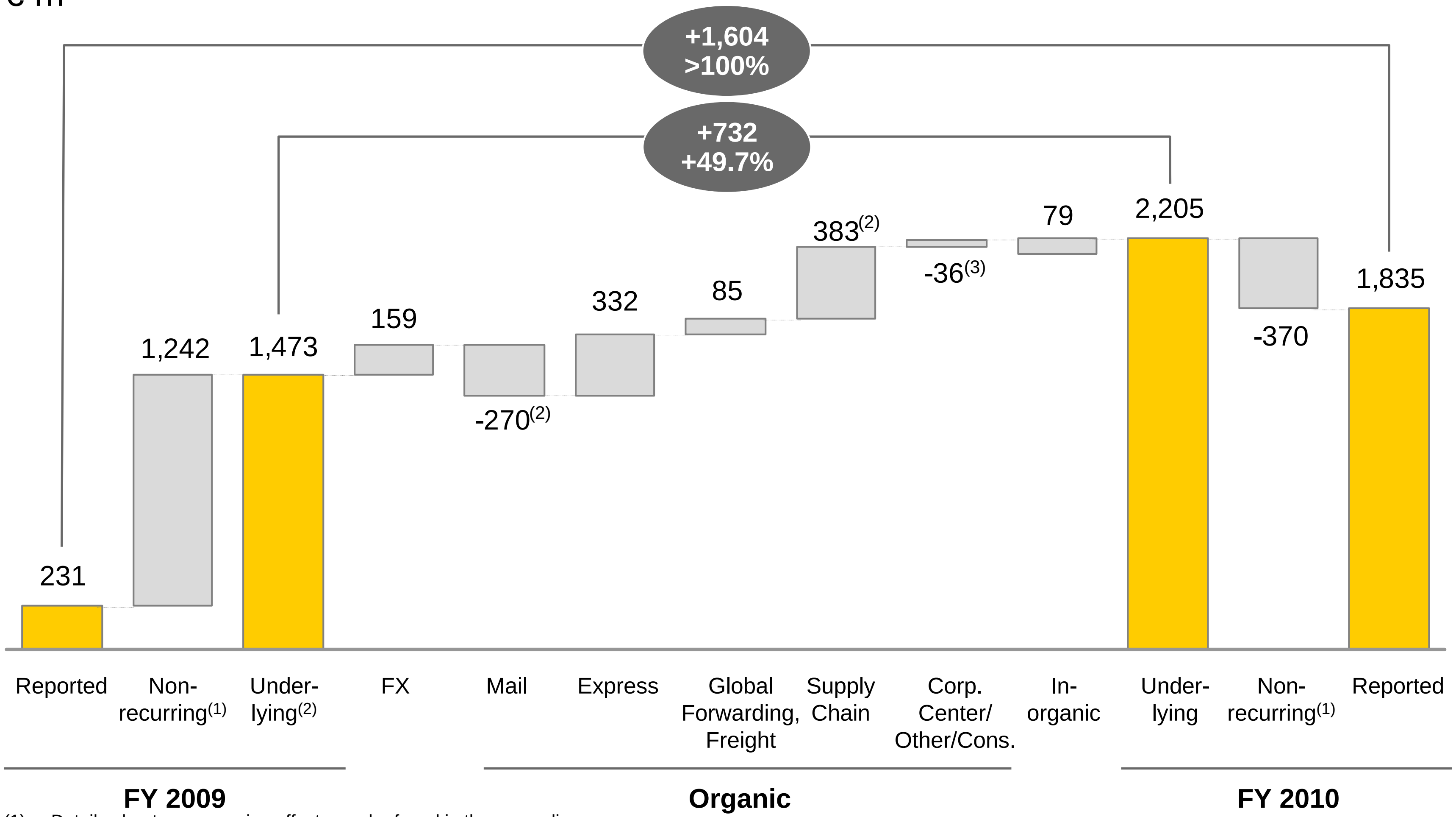


(1) Details about non-recurring effects can be found in the appendix
(2) Includes effects in 2009 of € -62m charges related to Arcandor: € -48m in SUPPLY CHAIN and € -14m MAIL; also includes costs incurred in Europe related to certain onerous contracts and impairment charges relating to legacy properties in Supply Chain of € -97m
(3) Delta vs last year includes central currency hedging effects of € -17m

EBIT growth within all DHL divisions

Underlying EBIT development (FY 2010 vs. FY 2009)

€ m



(1) Details about non-recurring effects can be found in the appendix
(2) Includes effects in 2009 of € -247m charges related to Arcandor: € -213m SUPPLY CHAIN and € -34m in MAIL; also includes costs incurred in Europe related to certain onerous contracts and impairment charges relating to legacy properties in Supply Chain of € -97m
(3) Delta vs last year includes central currency hedging effects of € -101m

Operating cash flow increased due to lower restructuring spend and higher EBIT – Capex increased due to investment in operating business

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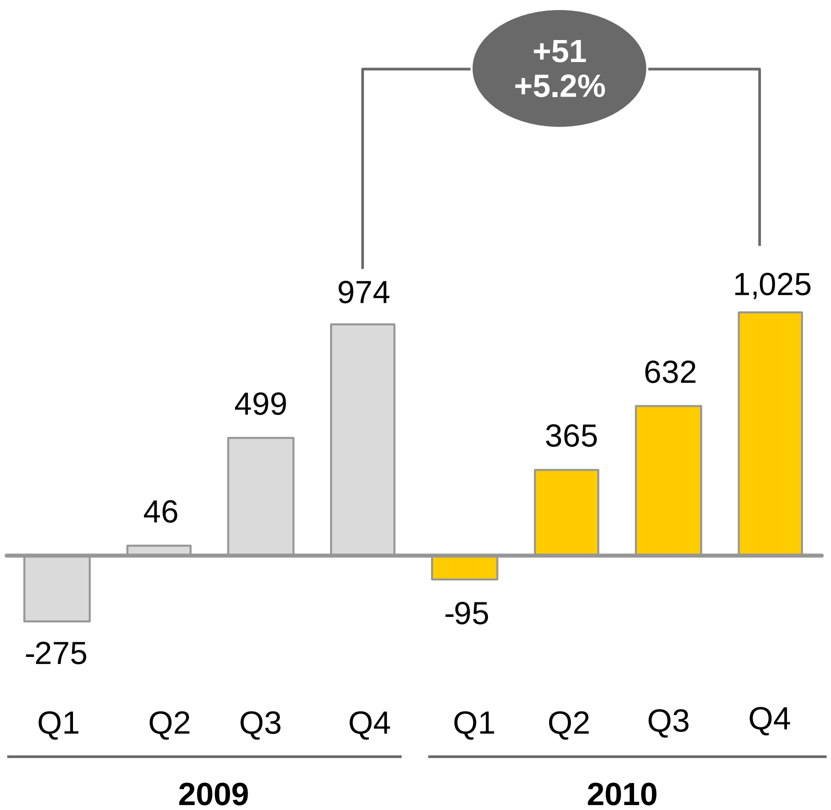
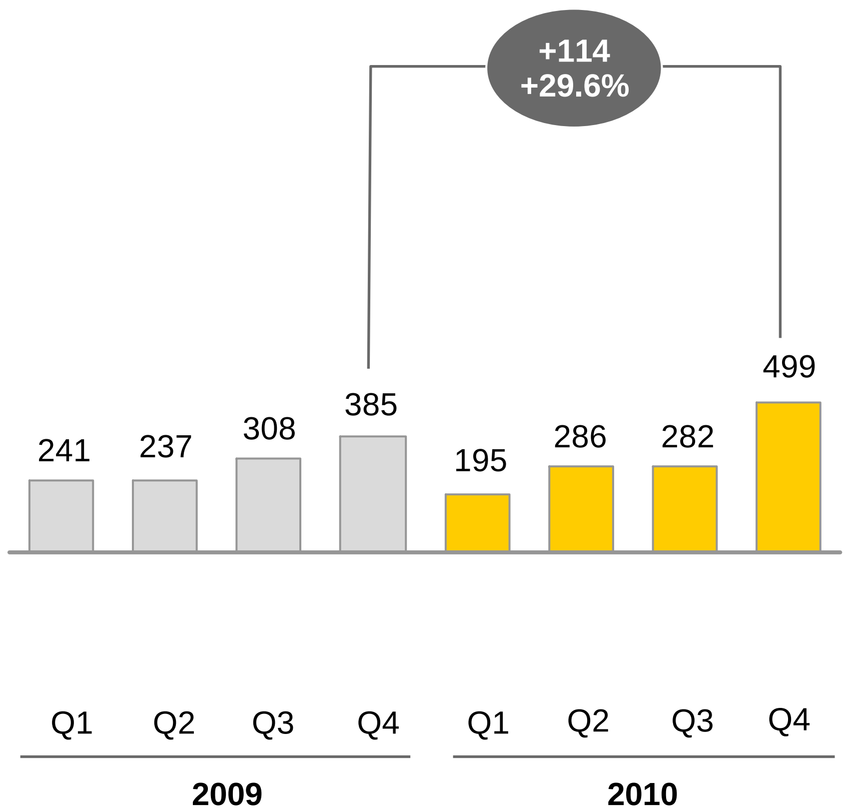
Group operating cash flow and Capex

€ m

Operating cash flow(1)



Capex development



(1) After changes in Net Working Capital

Operating cash flow increased due to lower restructuring spend and higher EBIT – Capex increased due to investment in operating business

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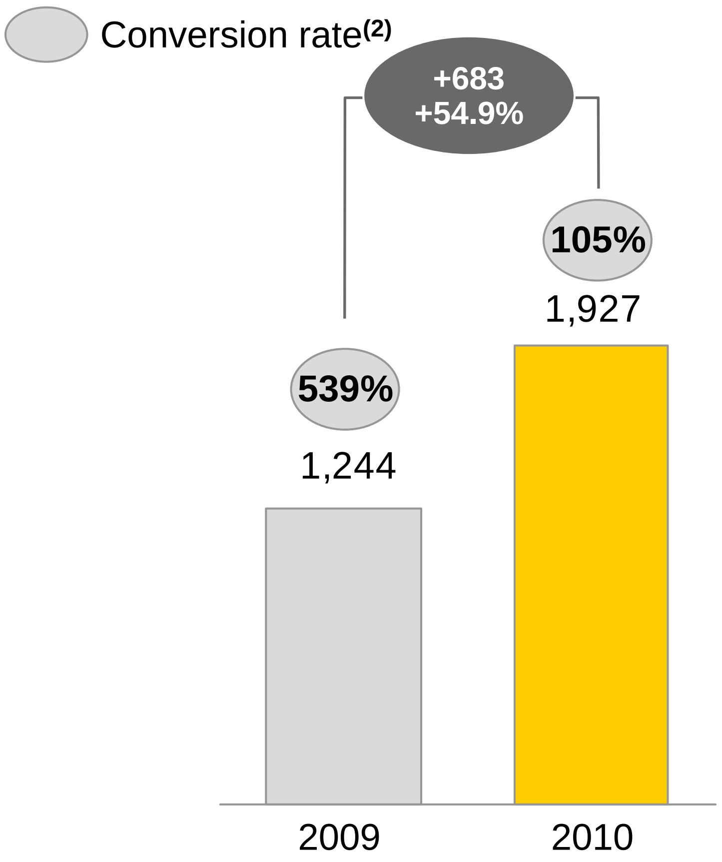
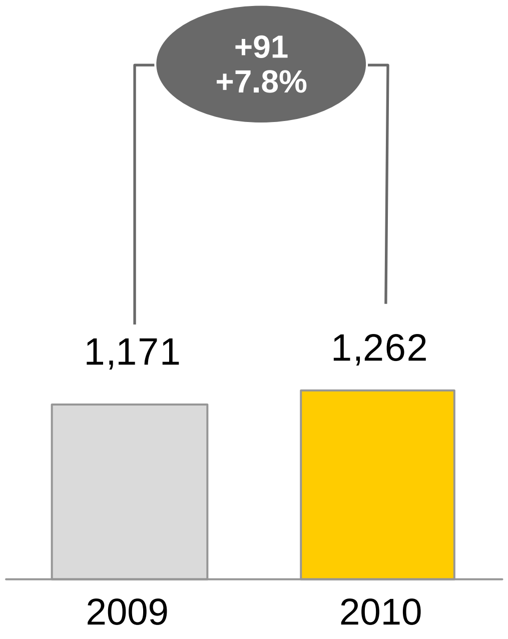
Group level overview (FY 2010 vs. FY 2009)

€ m

Operating cash flow[1]



Capex development

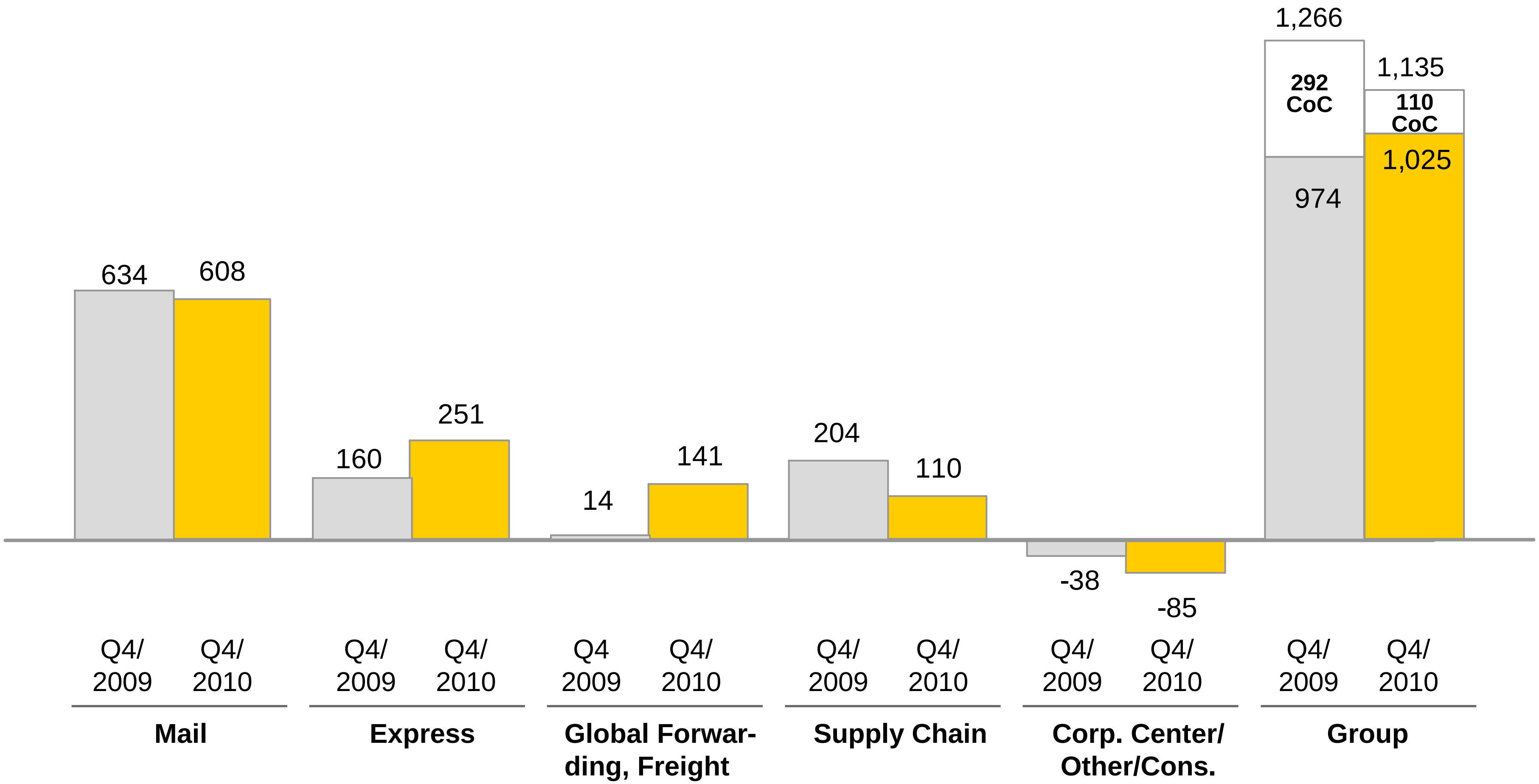


(1) After changes in Net Working Capital
(2) Operating cash flow / EBIT reported

Solid cash contribution by all divisions – strong increase YoY in EXPRESS and GLOBAL FORWARDING, FREIGHT due to higher EBIT and less restructuring costs

Operating cash flow (Q4/2010 vs. Q4/2009)

€ m



Strong cash flow increase in EXPRESS due to higher EBIT and less restructuring costs; GLOBAL FORWARDING, FREIGHT cash flow burdened by net working capital increase due to business growth

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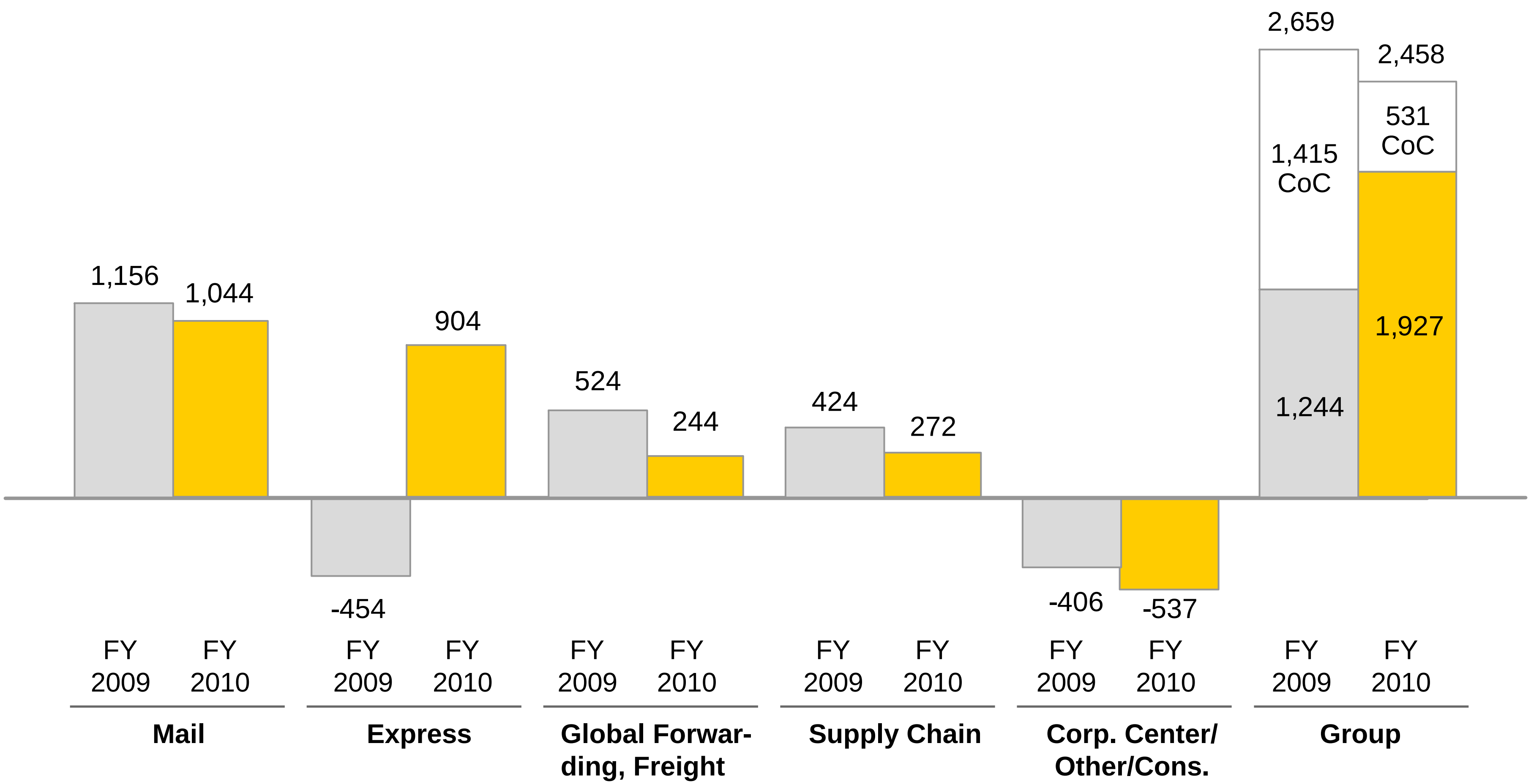
Operating cash flow (FY 2010 vs. FY 2009)

€ m



MAIL – Divisional results overview

€ m	Q4/2009	Q4/2010	Δ
Revenue	3,776	3,809	1%
EBIT			
• Reported	504	227	-55%
• Underlying(1)	515	257	-50%
• Operating cash flow	634	608	-4%
• Capex	133	146	10%

€ m	FY 2009	FY 2010	Δ
Revenue	13,912	13,821	-1%
EBIT			
• Reported	1,391	1,118	-20%
• Underlying(1)	1,423	1,152	-19%
• Operating cash flow	1,156	1,044	-10%
• Capex	338	445	32%

(1) Details about non-recurring effects can be found in the appendix

VAT impact, E-investments and year end special bonus burden EBIT

Mail division highlights (Q4/2010)

Performance highlights

- Key financials
  - Total Revenue above last year due to sound increase in **Parcel Germany** and **Global Mail**
  - Revenue in **Mail Communication** down 4.3% due to new VAT regulation
  - **Parcel Germany** revenue increased due to the growth of online sales and traditional mail-order companies now benefiting from the economic recovery
  - Lower EBIT due to increased discounts following new VAT regulation, E-investments and year end special bonus
  - Underlying EBIT 50.1% lower than last year at € 257m
- Total Mail volumes with -3.3% below Q4/2009
  - **Mail Communication** volumes on last year's level (+0.1%) despite new VAT regulation
  - Decline in **Dialogue Marketing** stopped. Volumes (+0.1%) on last year's level
  - **Parcel Germany** volumes above last year (+8.6%) largely due to growth of online sales and mail orders despite missing Quelle business
  - **Global Mail** volumes below previous year (-12.2%), due to decrease in low margin products
- **Operating cash flow** remains high, slightly below previous year´s level

Market/competition highlights

- VAT introduced July 1st 2010; Priority to retain revenue and volume to ensure high capacity utilisation remains
- Low triple-digit million annualized financial impact of new regulation. For 2011, financial impact is included in Mail EBIT guidance of € 1.0 – 1.1bn
- Ongoing e-substitution in Mail Communication
- We are strengthening our position with all major key account clients
- We are providing more customer contact points and mailboxes to our customers for easy network access
- Competition is regrouping but has so far achieved only limited success

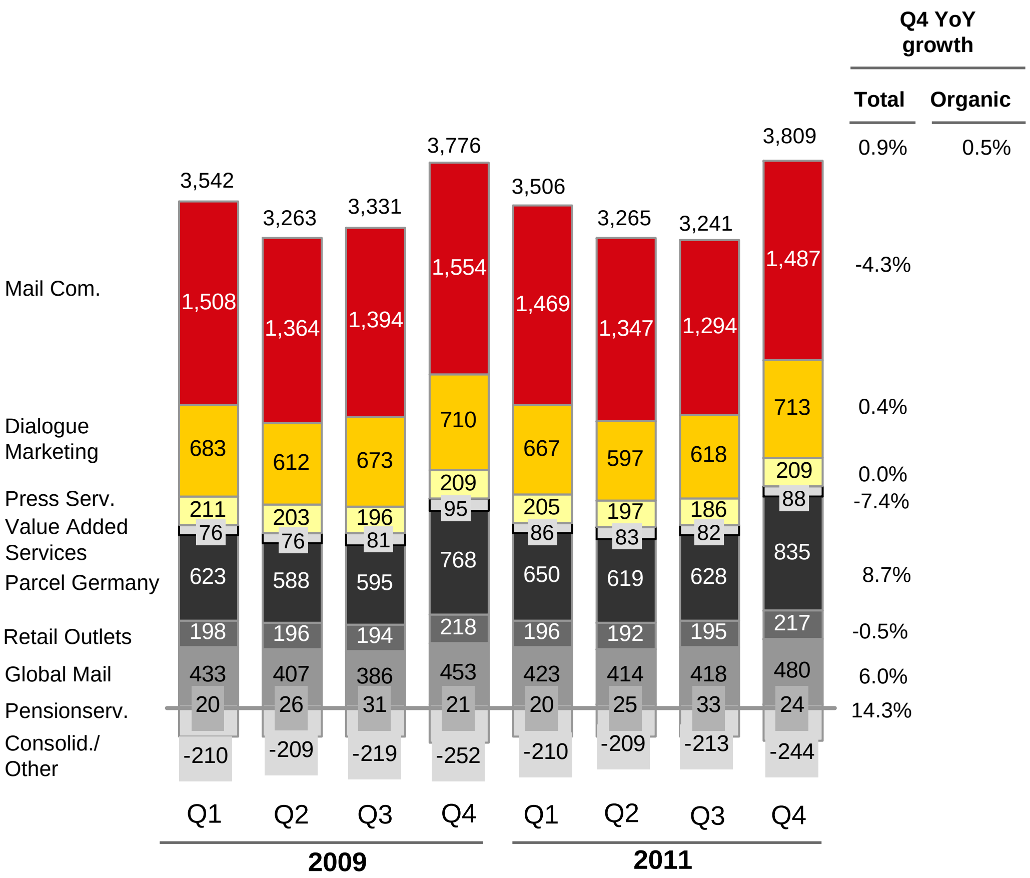
Investment/growth outlook

- Focus on replacement of older assets and investment in new sorting machines with increased throughput and lower energy consumption to maintain highest technological standards
- First successful steps into digital business: e.g. launch of E-Postbrief, meinpaket.de

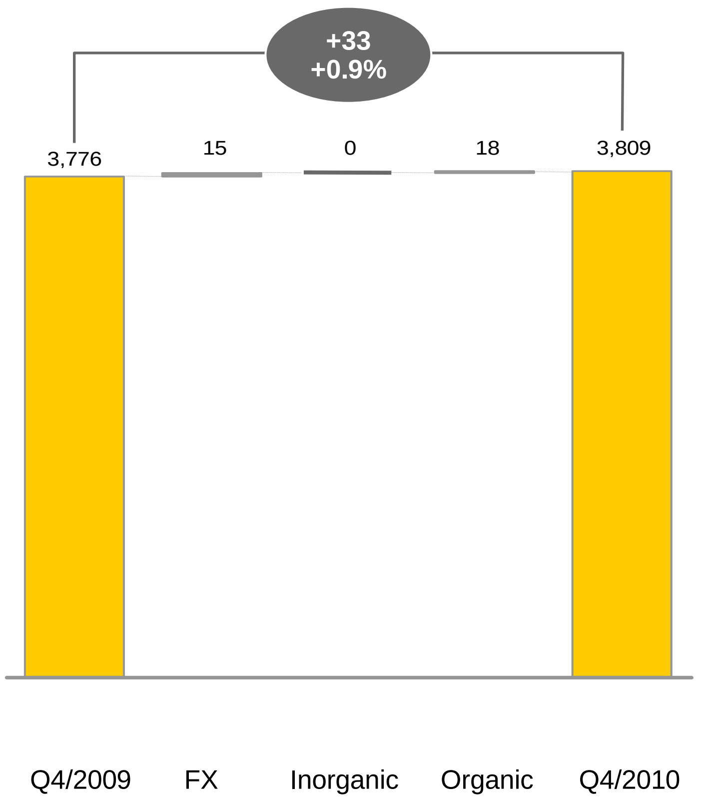
Mail divisional overview

€ m

Quarterly revenue development



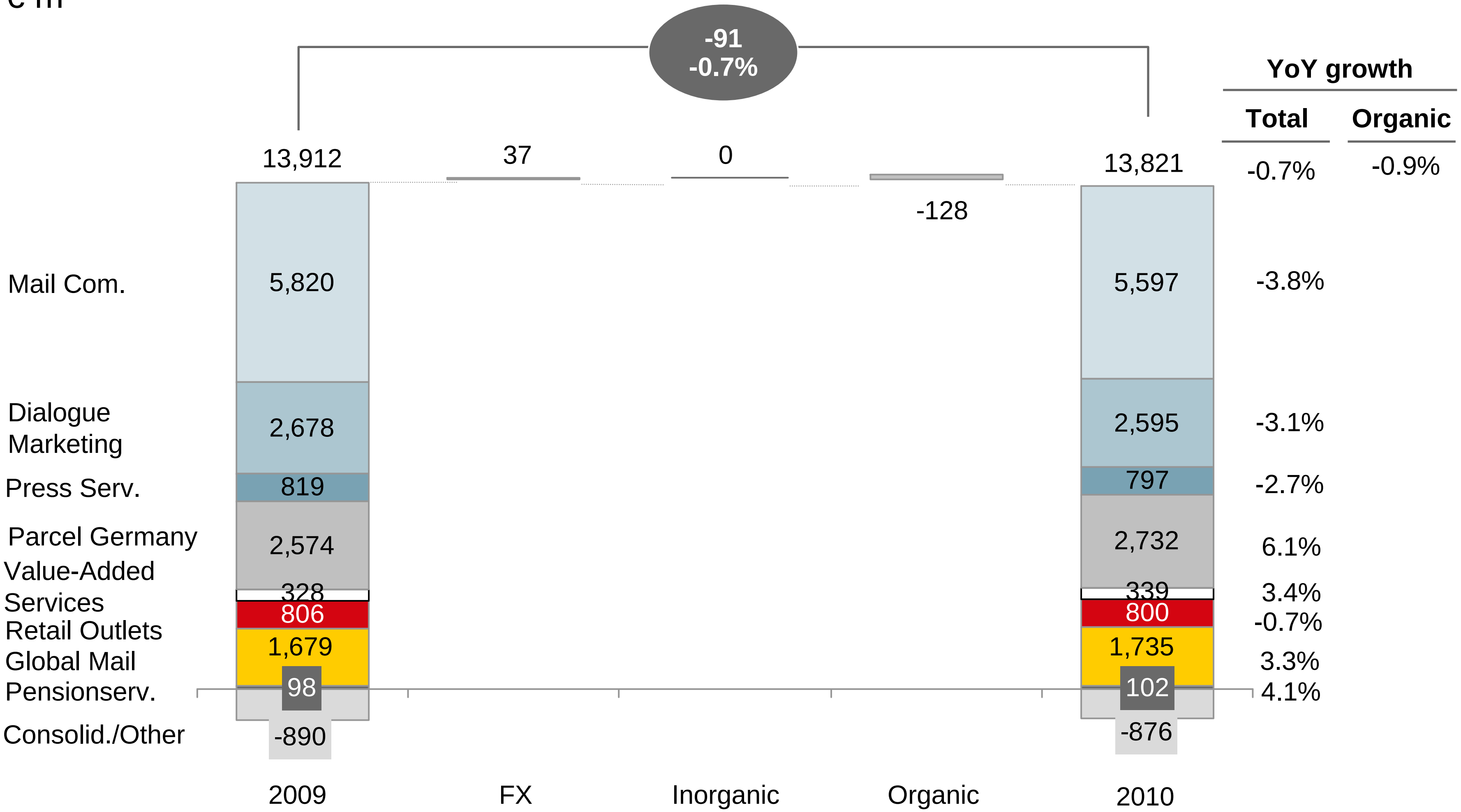
Revenue development Q4/2010 vs. Q4/2009



Revenues down YoY mainly due to VAT impact, sound increase in Parcel Germany despite lost Quelle business

Mail divisional overview – revenue development (FY 2010 vs. FY 2009)

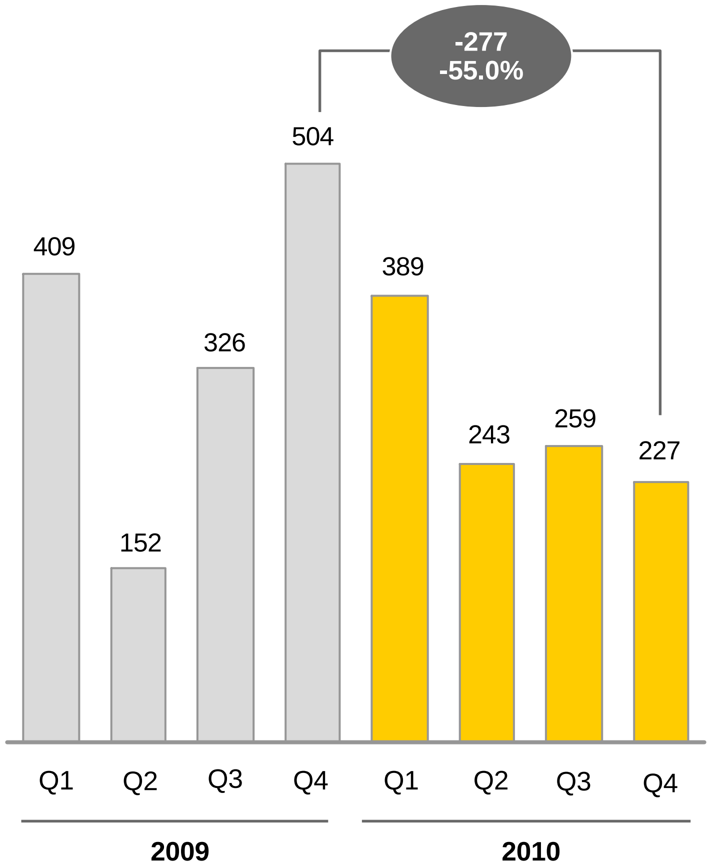
€ m



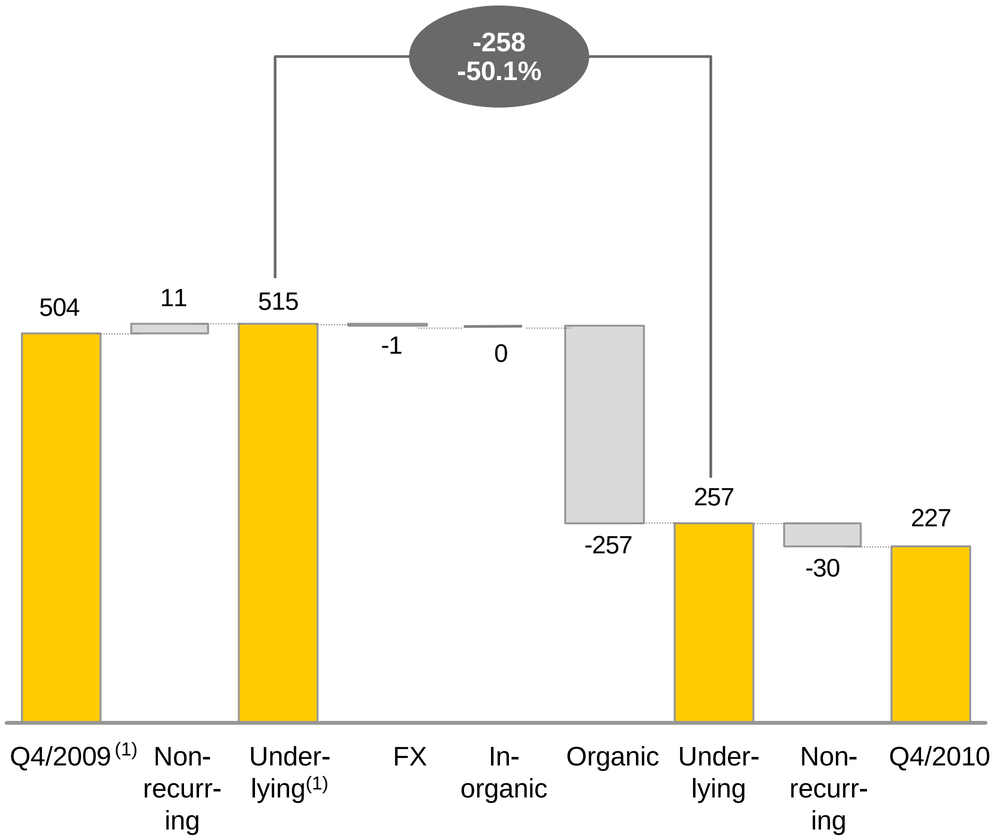
Mail divisional overview

€ m

Quarterly EBIT development



EBIT change Q4/2010 vs. Q4/2009

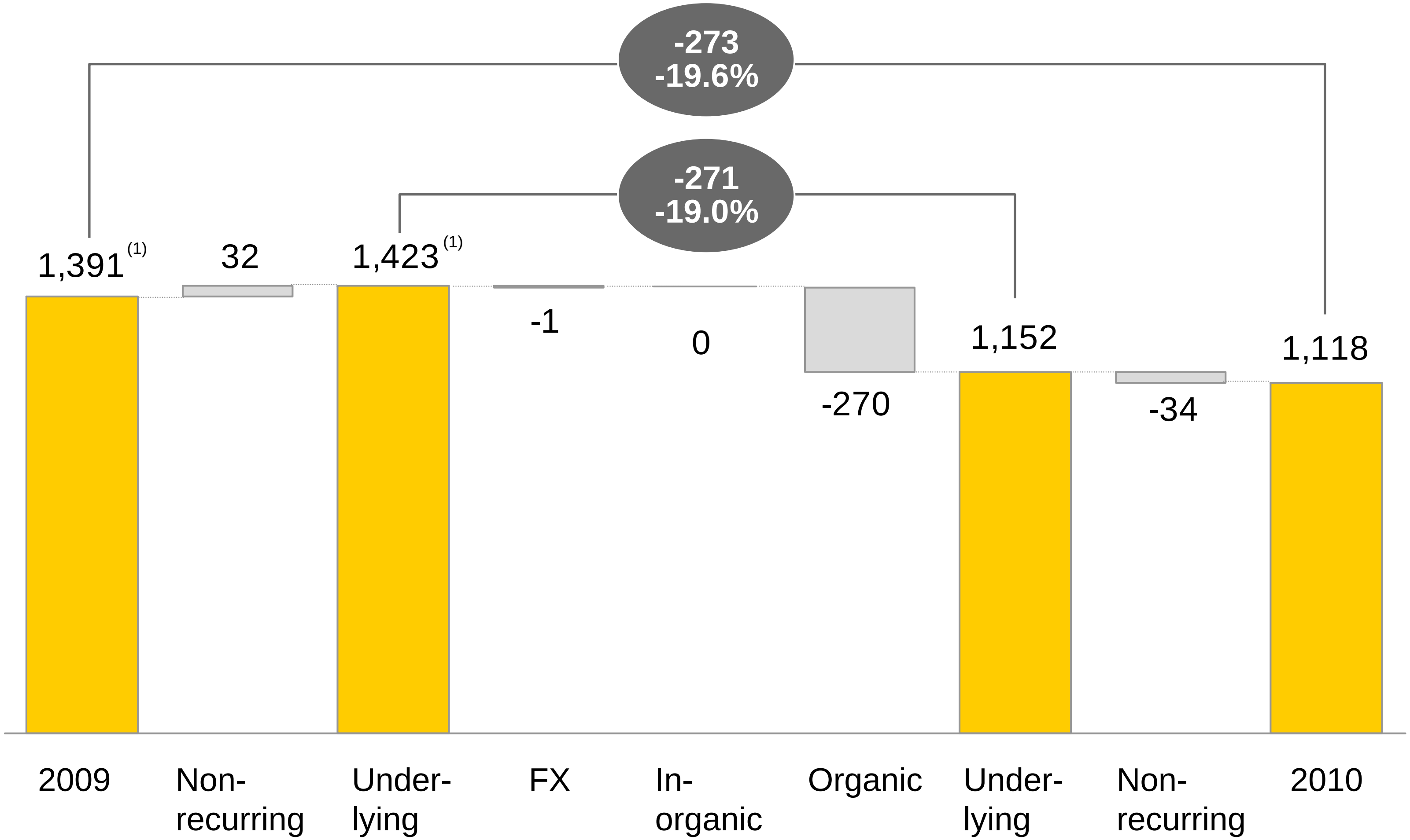


(1) Includes € -14m charges related to Arcandor/Quelle

On a full year basis underlying EBIT down by -19%

Mail divisional overview – EBIT development (FY 2010 vs. FY 2009)

€ m



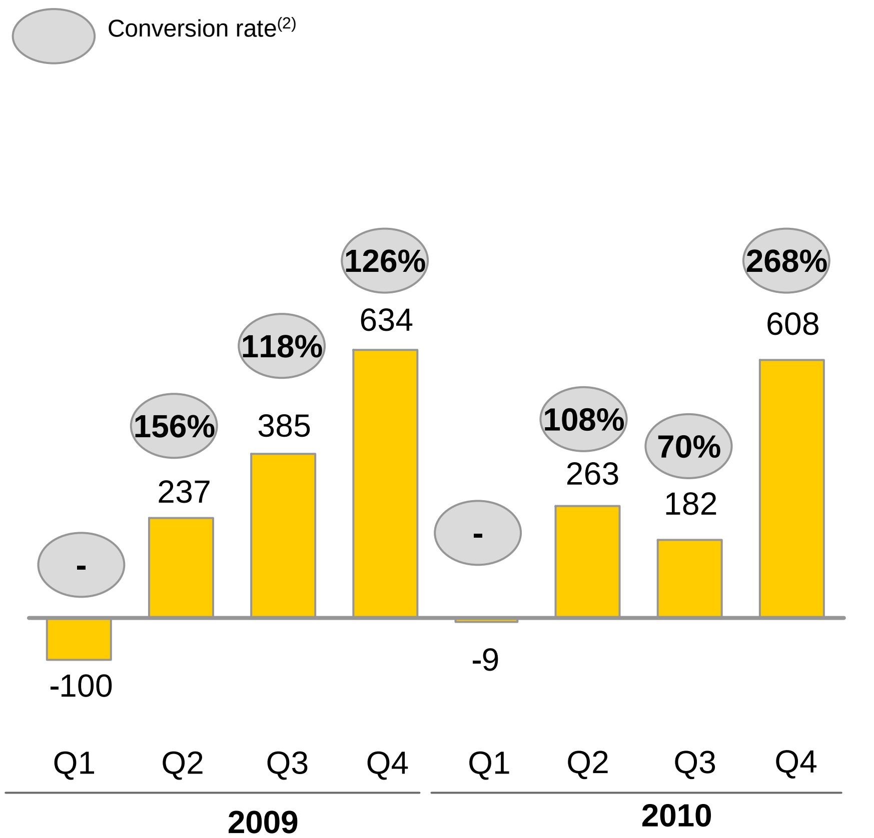
(1) Includes € -34m charges related to Arcandor/Quelle

Operating cash flow remains high, slightly below previous year's level

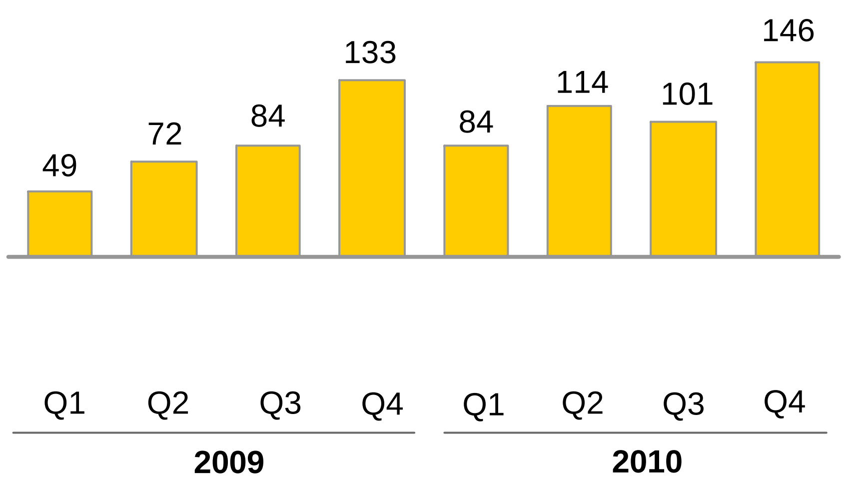
Mail operating cash flow and Capex

€ m

Operating cash flow[1, 3]



Capex development[3]



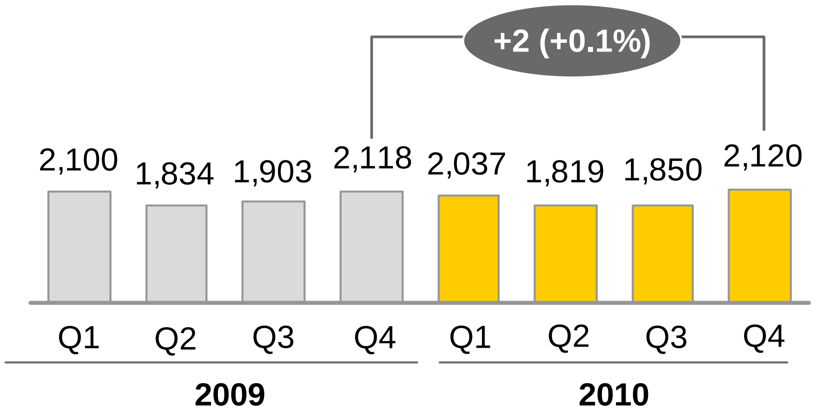
(1) After changes in Net Working Capital
(2) Operating cash/EBIT reported
(3) Q1-Q4 2009 and Q1-Q2 2010 adjusted due to significant parts of Supply Chain division's Williams Lea Germany transferred to Mail division

Parcel Germany continues to grow strongly

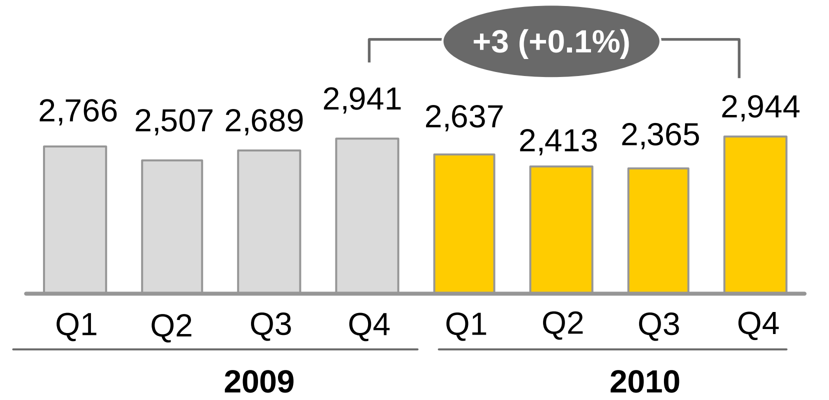
Mail divisional overview – Quarterly volume development

m units

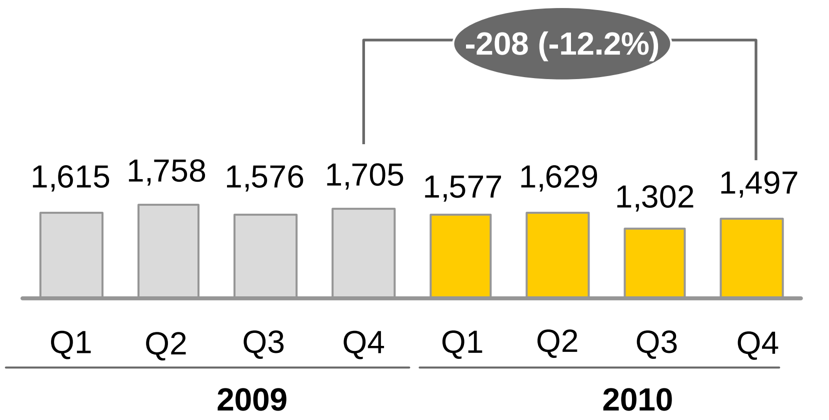
Mail Communication



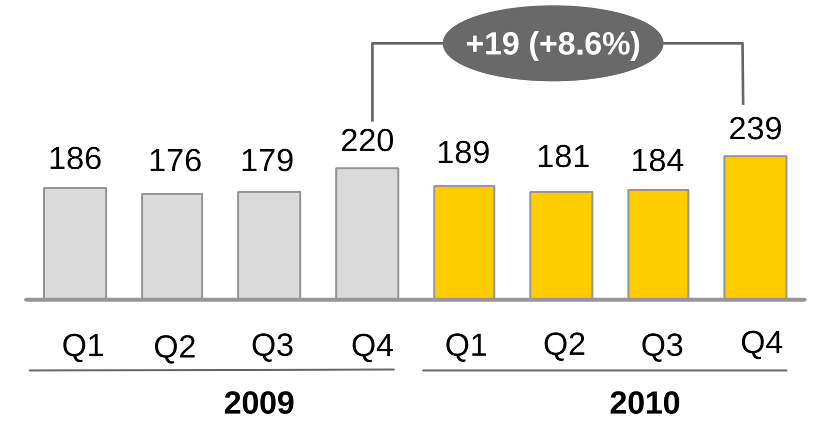
Dialogue Marketing



Global Mail



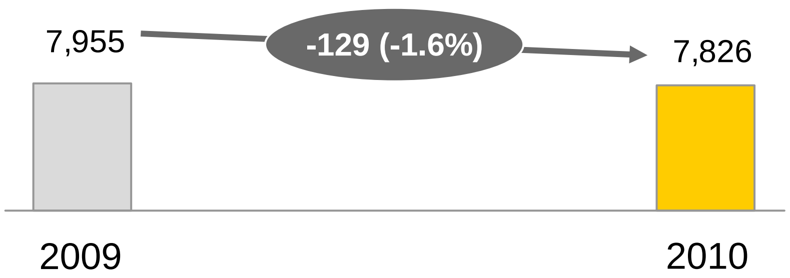
Parcel Germany



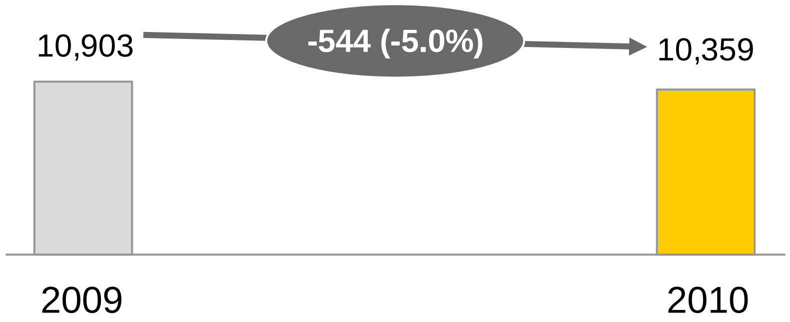
Mail divisional overview – Volume development (FY 2010 vs. FY 2009)

m units

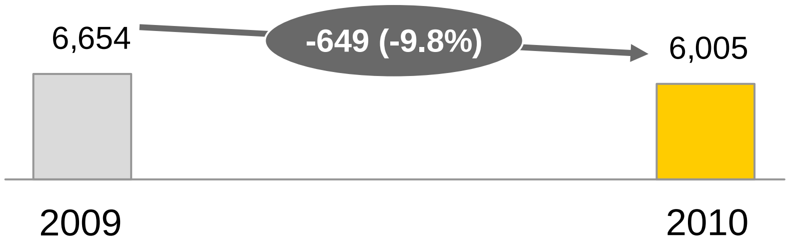
Mail Communication



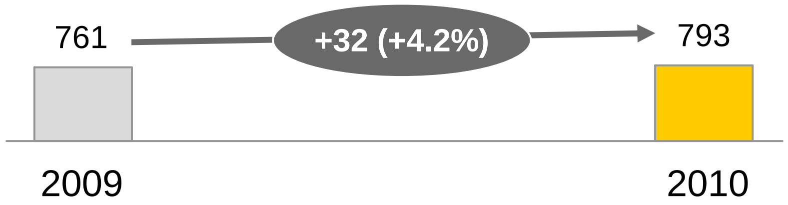
Dialogue Marketing



Global Mail



Parcel Germany



EXPRESS – Divisional results overview

€ m	Q4/2009	Q4/2010	Δ	Organic
Revenue	2,672	2,904	9%	8%
EBIT				
• Reported EBIT	-358	218	-	
• Underlying EBIT[1]	159	239	50%	
• Operating cash flow	160	251	57%	
• Capex	95	134	41%	

€ m	FY 2009	FY 2010	Δ	Organic
Revenue	9,917	11,111	12%	10%
EBIT				
• Reported EBIT	-790	497	-	
• Underlying EBIT[1]	235	785	>100%	
• Operating cash flow	-454	904	-	
• Capex	370	286	-23%	

(1) Details about non-recurring effects can be found in the appendix

TDI volume growth stabilizes in Q4; restructuring costs are insignificant, reported EBIT margin substantially improved to 7.5%

Express division highlights (Q4/2010)

Performance highlights

- Overall divisional organic revenue increase by +7.5% mainly driven by 6.4% YoY shipment per day growth in TDI, Weight per shipment growth in TDI of +7.5% and overall higher fuel surcharges
- **Europe**: Total revenue adjusted for the sale of UK and FR Domestic business and FX impacts has improved by +3.1%. TDI volumes per day up by +7.0% YoY, an improvement vs. previous quarter with pressure on yield continuing
- **Asia Pacific:** Organic revenue increase by +8.7% mainly from higher TDI shipments per day of +7.2% combined with higher fuel surcharges and increased weight per shipment resulting in a +8.7% increase of TDI revenue per day. TDD volumes per day continue to grow at +12.9% in Q4 mainly supported by the domestic business growth in India
- **EEMEA**: Organic revenue increase by +8.2% mainly due to increase in weight per shipment. Daily TDI volume growth in Q4 better at +4.6% YoY. TDI revenue per day increasing by +9.7% primarily impacted by +12.7% YoY increase in Weight per Shipment
- **Americas**: Organic revenue increase by +12.5% driven by higher TDI weight per shipment (+5.3% YoY) and fuel surcharge while TDI daily volumes are picking up again at +1.8% better than last year, volume growth still under pressure due to declining document volumes, TDI revenue per day up by +8.8%
- **Reported EBIT** increased significantly by € 576m mainly due to stronger revenue development, lower restructuring costs, positive FX impact and the stop of UK and FR domestic losses. Benefit from cost efficiency programs offset by investments into growth initiatives
- **Underlying EBIT** improved YoY by € +80m or +50.3% up to € 239m (Q4/2009: € 159m)
- Positive **operating cash** flow driven by additional profit generation and lower restructuring cash-out

Market/competition highlights

- Continued TDI volumes per day improvement supported by the economic recovery
- Ongoing price pressure slightly fading, however, competition for volume still fierce
- Excellent air capacity utilization while service levels very high
- Intensified focus on growth and quality
- Express maintained market leadership in Europe, Asia and EEMEA

Investment/Divestment outlook

- Capex increase Q4 by +41% YoY mainly driven by infra-structure investments in the high growth markets and additional investments to cover the expected volume growth for 2011
- Strong focus on operating mode with no significant inorganic measures

Organic revenue increase by 7.5% driven by volume and weight per shipments growth in TDI as well as higher fuel surcharges

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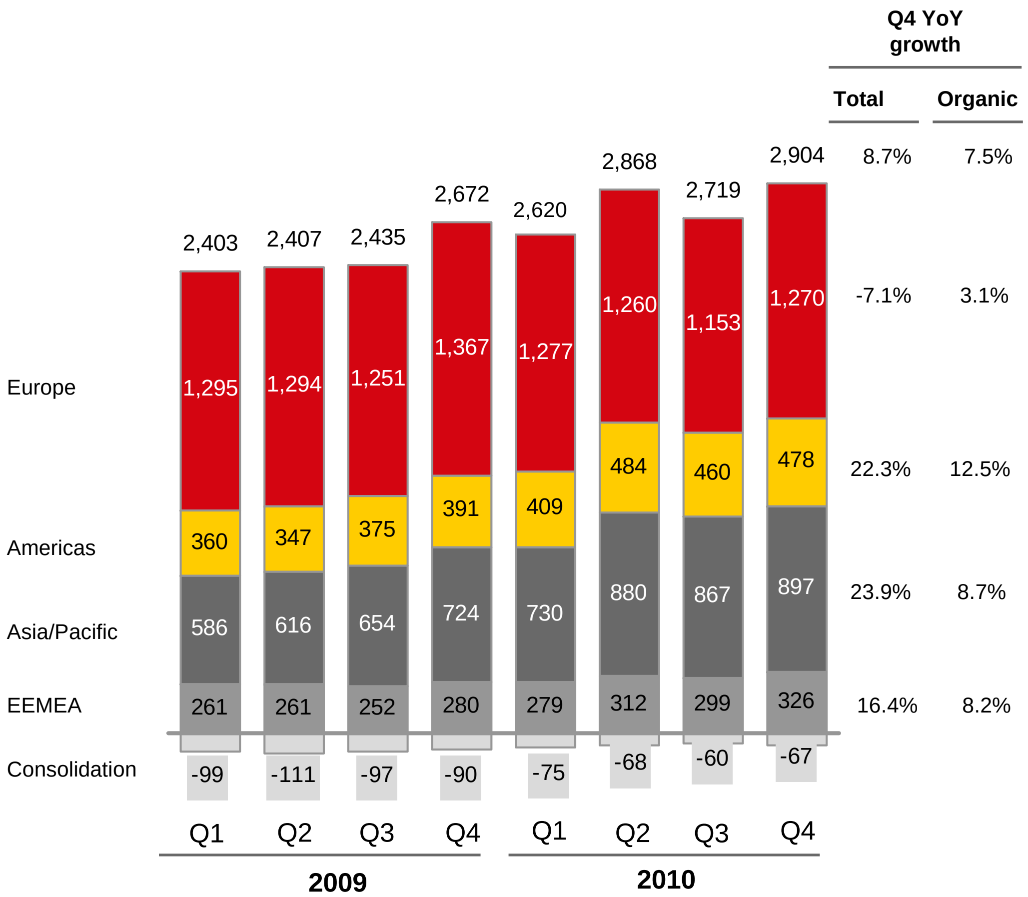
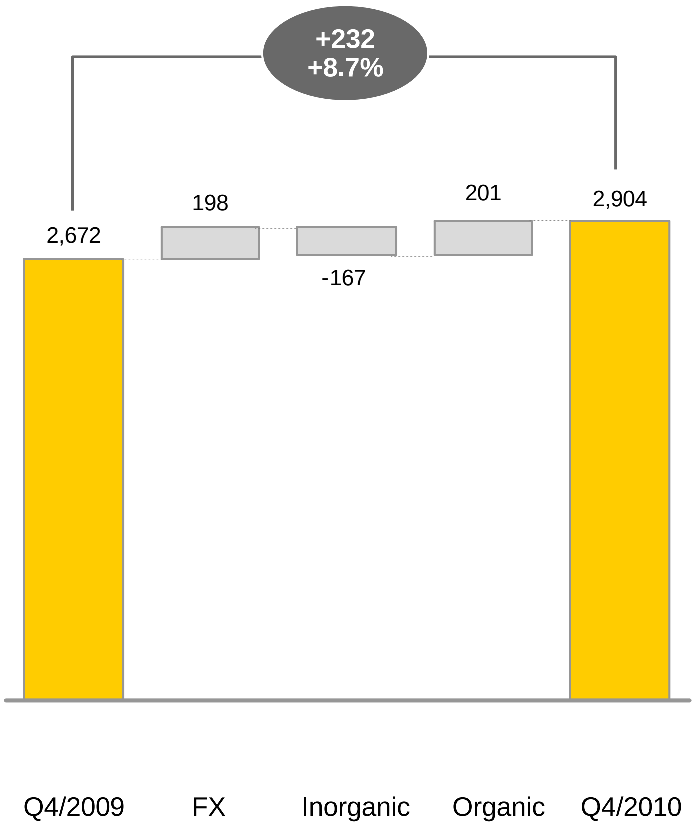
Express divisional overview

€ m

Quarterly revenue development



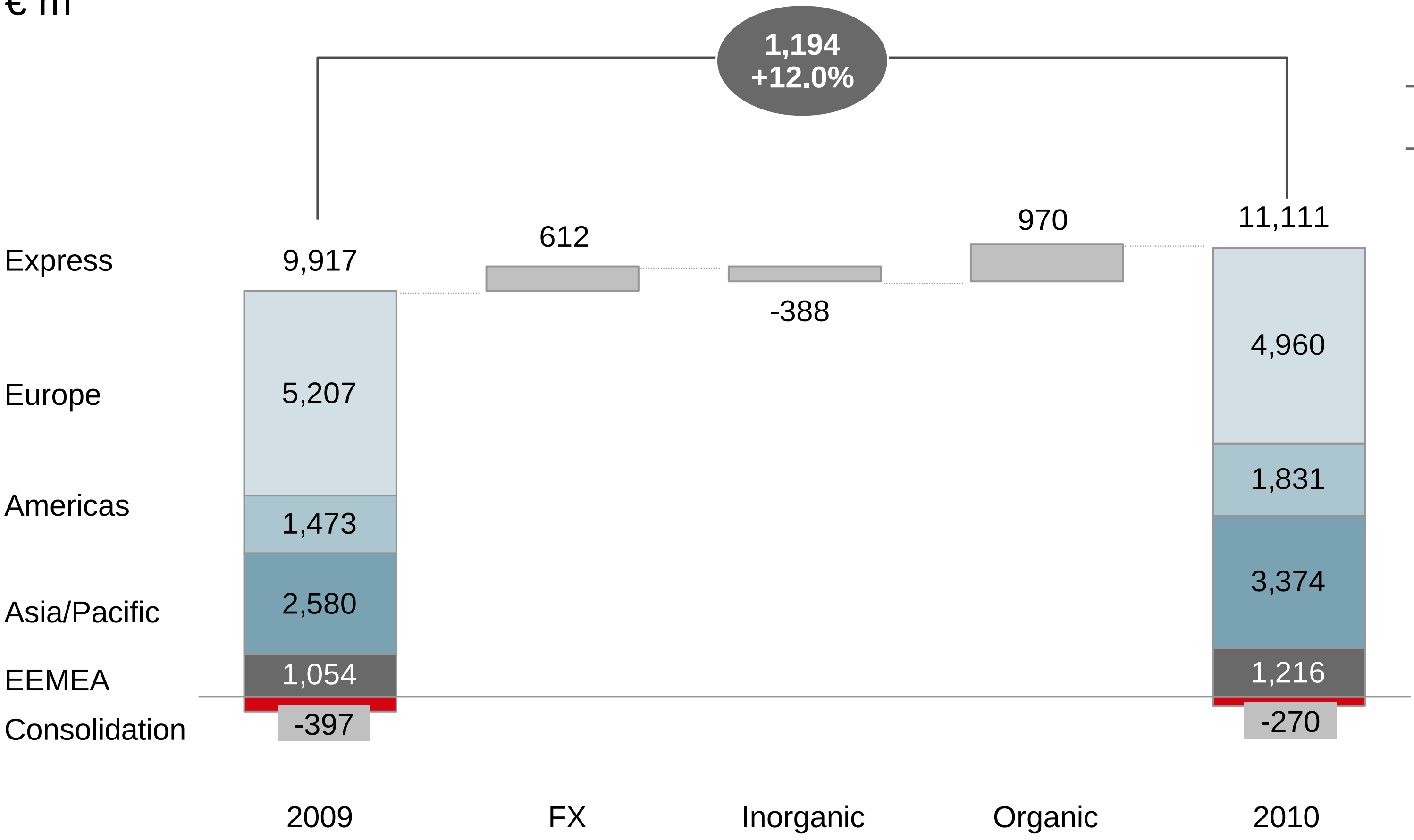
Revenue development Q4/2010 vs. Q4/2009



Revenues increased due to solid TDI performance backed by economic recovery

Express divisional overview –
Revenue development (FY 2010 vs. FY 2009)

€ m



YoY growth

	Total	Organic
Express	12.0%	9.8%
Europe	-4.7%	1.4%
Americas	24.3%	16.6%
Asia/Pacific	30.8%	16.9%
EEMEA	15.4%	8.3%

EBIT grew significantly due to strong organic revenue growth, less restructuring costs and higher operational efficiencies

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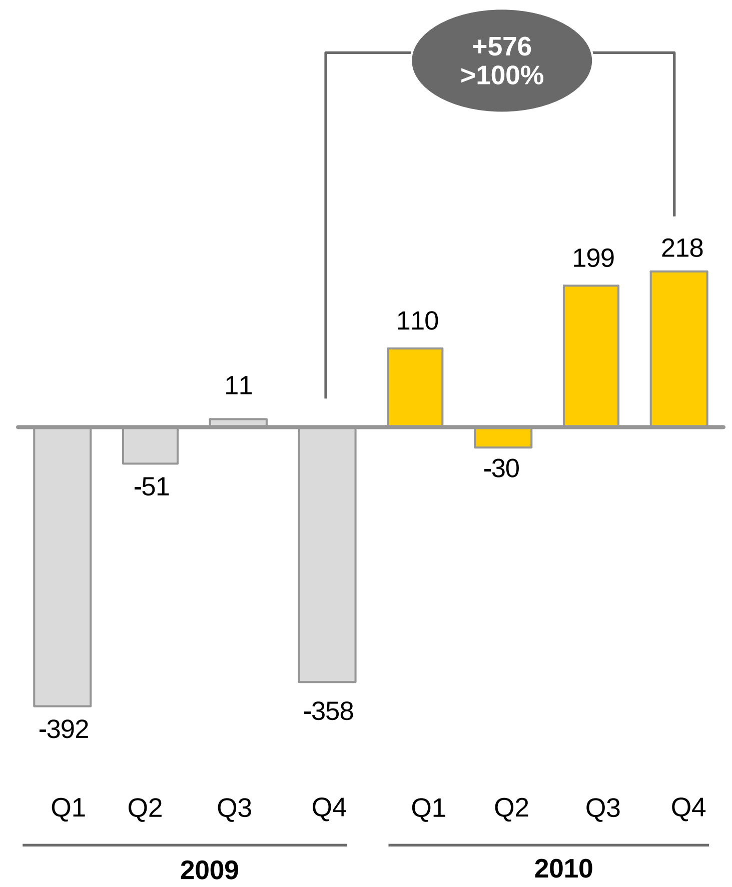
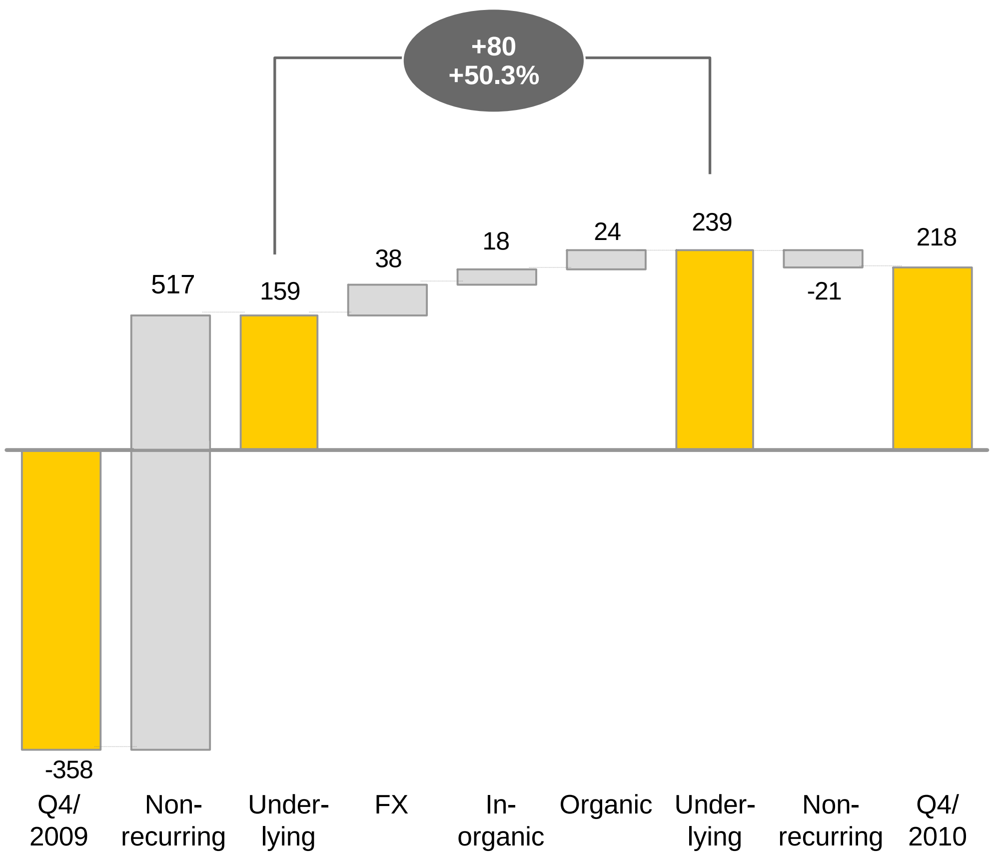
Express divisional overview

€ m

Quarterly EBIT development



EBIT development Q4/2010 vs. Q4/2009



EBIT grew significantly due to strong organic revenue growth, less restructuring costs and higher operational efficiencies

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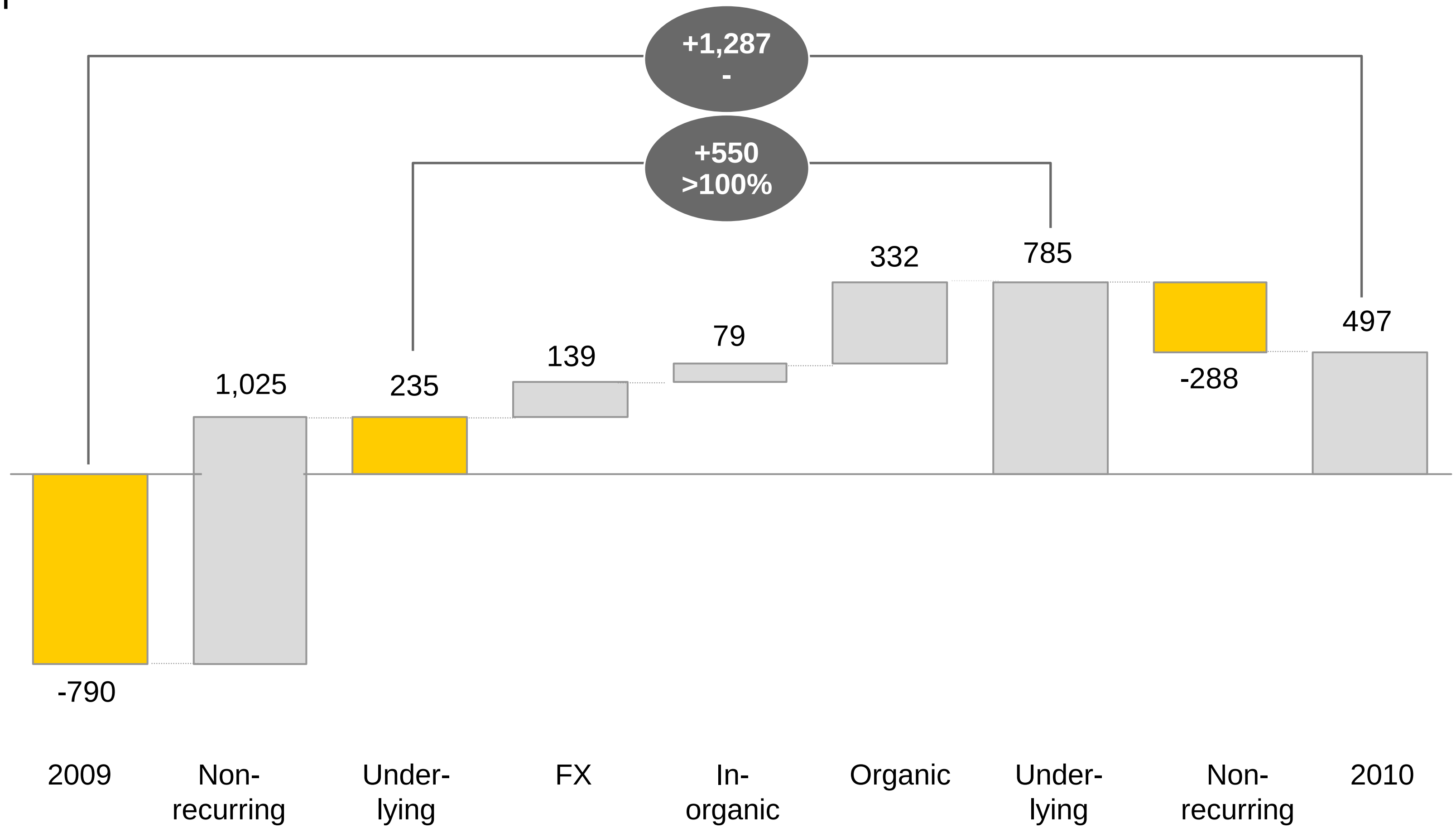
Express divisional overview –
FY EBIT development (FY 2010 vs. FY 2009)

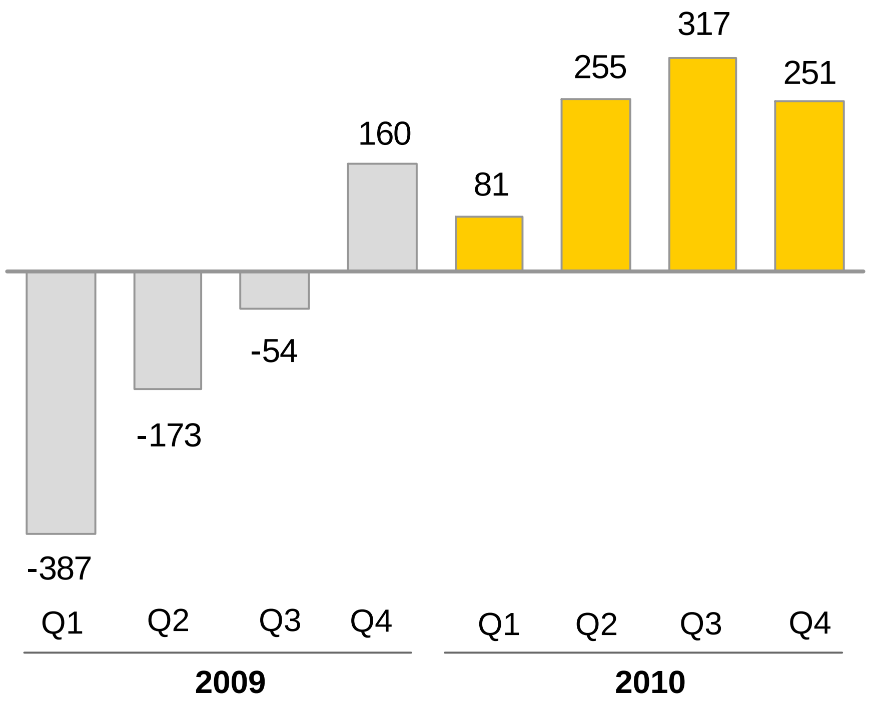
€ m



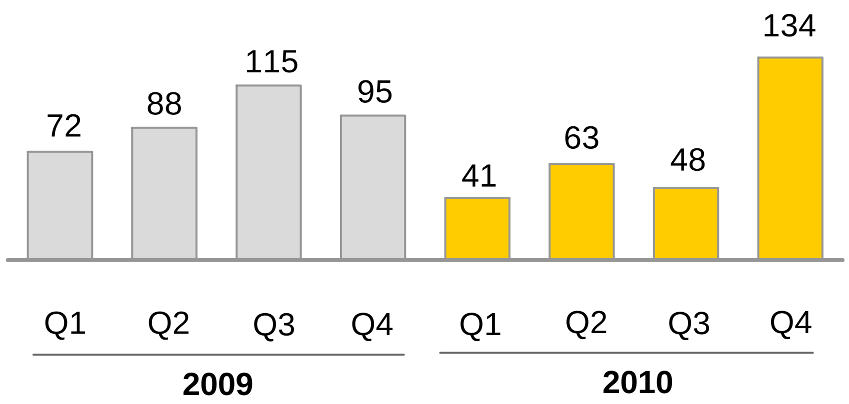
Express operating cash flow and Capex

€ m

Operating cash flow[1][2]



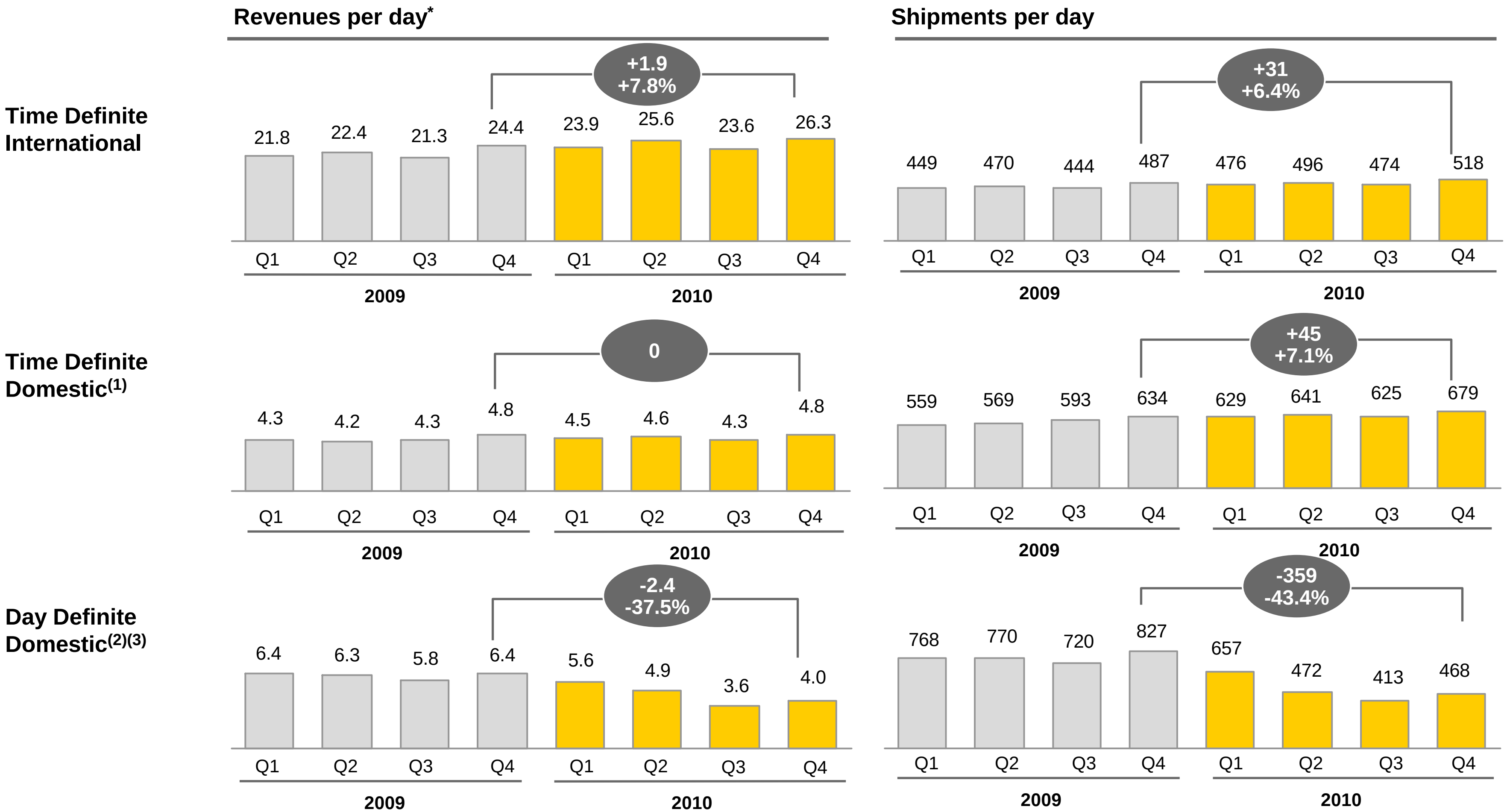
Capex development



(1) After changes in Net Working Capital
(2) Additional restructuring cash out flow 2010 in parts reflected in cash used in investing activities

Revenue and shipments by product

Revenue per day in € m; shipments per day in ´000s

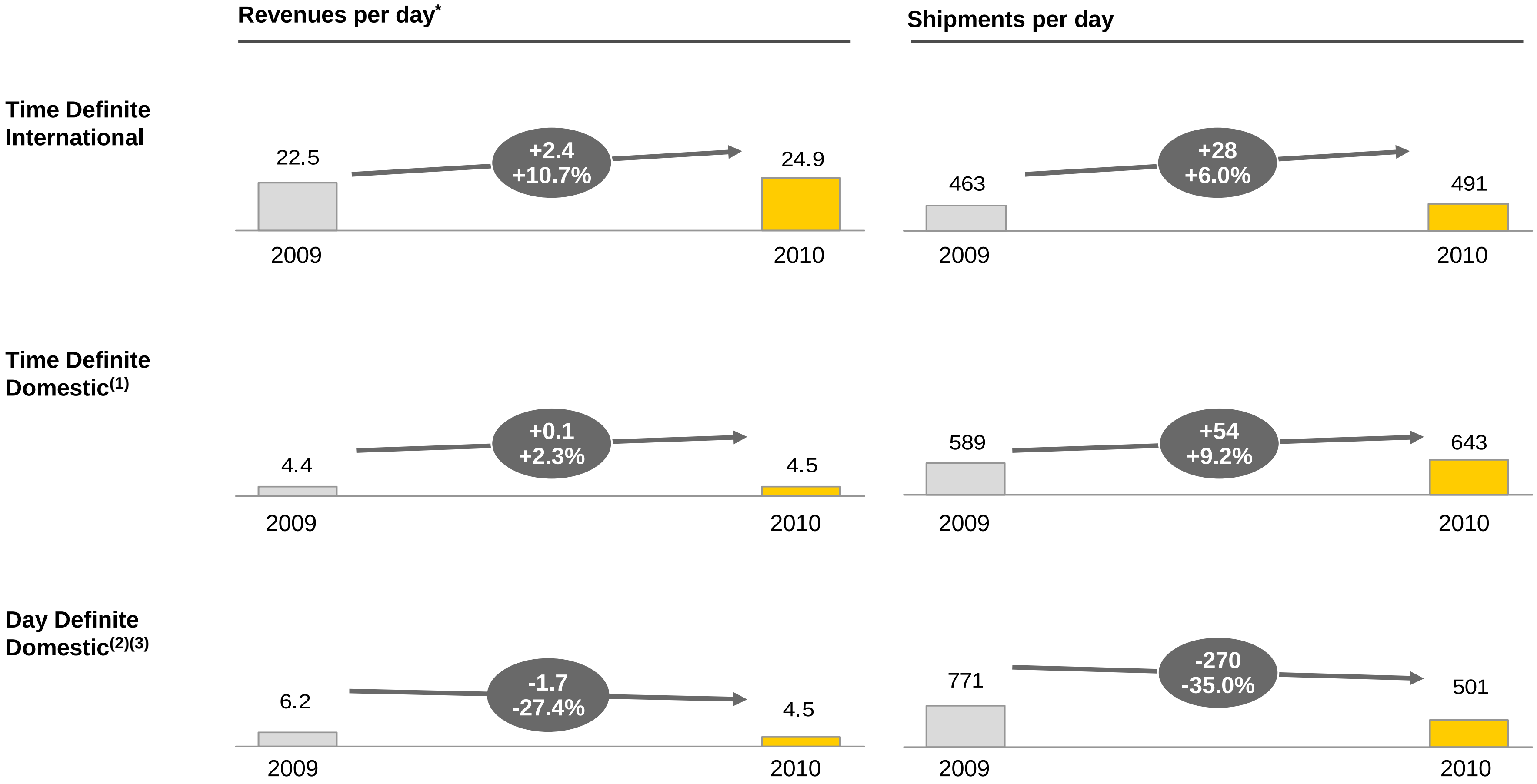


(1) TDD includes China Domestic acquisition as from July 2009
(2) DDD business in UK included until February 2010
(3) DDD business in FR included until June 2010

* Currency translation differences are eliminated: all periods aggregated with same currency rates

Revenue and shipments by product (FY 2010 vs. FY 2009)

Revenue per day in € m; shipments per day in ´000s



(1) TDD includes China Domestic acquisition as from July 2009
(2) DDD business in UK included until February 2010
(3) DDD business in FR included until June 2010

* Currency translation differences are eliminated: all periods aggregated with same currency rates

GLOBAL FORWARDING, FREIGHT – Divisional results overview

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€ m	Q4/2009	Q4/2010	Δ	Organic
Revenue	3,098	3,898	26%	18%
EBIT				
• Reported	6	131	>100%	
• Underlying[1]	70	132	89%	
• Operating cash flow	14	141	>100%	
• Capex	36	34	-6%	

€ m	FY 2009	FY 2010	Δ	Organic
Revenue	11,243	14,341	28%	21%
EBIT				
• Reported	174	383	>100%	
• Underlying[1]	275	390	42%	
• Operating cash flow	524	244	-53%	
• Capex	92	102	11%	

(1) Details about non-recurring effects can be found in the appendix

Global Forwarding, Freight division highlights (Q4/2010)

Performance highlights

- Global Forwarding revenue up by +32% with new business and freight rates increasing; excl. FX effects organic increase was +22%
- Freight revenue up by +12% mainly in Germany, Southern and Eastern Europe; excl. FX effects organic increase was +9%
- Total gross profit (GP) significantly up by +23% to € 894m; GP-margin stabilized in Q4
- Strict management of direct operating expenses and positive currency effects helped to grow reported EBIT to € 131m (+ >100%); underlying EBIT € 132m represents +89% growth YoY
- Industrial projects continued to perform well above LY, with major growth in North America and North Asia – continued strong business pipeline
- Net working capital increase in line with volume growth
- Operating cash flow improved further positively to € 141m in Q4 (up by € +43m QoQ)
- Productivity exceeds pre crisis level by far
- Strong investment in sales and innovation starting to pay off, i.e. with significant large customer wins
- Launch of the first worldwide available DGF GoGreen products: Carbon Footprint Report and Carbon Offsetting to help customers gain transparency on CO2; completion of 500 local GoGreen initiatives to optimize resource consumption
- Number of First Choice/6-Sigma initiatives significantly increased vs. 2009 to the benefit of customers
- Number of completed e-learning courses more than doubled YoY
- Successful Employee Opinion Survey with record high response rate and better scores in almost all dimensions, i.e. employee engagement and active leadership

Volume/Market highlights

- Relatively weak peak season – however growth in Air freight continuing fourth quarter in a row (Tons total / Export: +4% / +3% YoY)
- Growth in Ocean freight more selective in order to optimize GP (TEUs: -1% YoY)
- Ongoing high buying rates in both Air and Ocean freight
- In Freight business strong revenue development with capacity shortage in the market and increasing rates

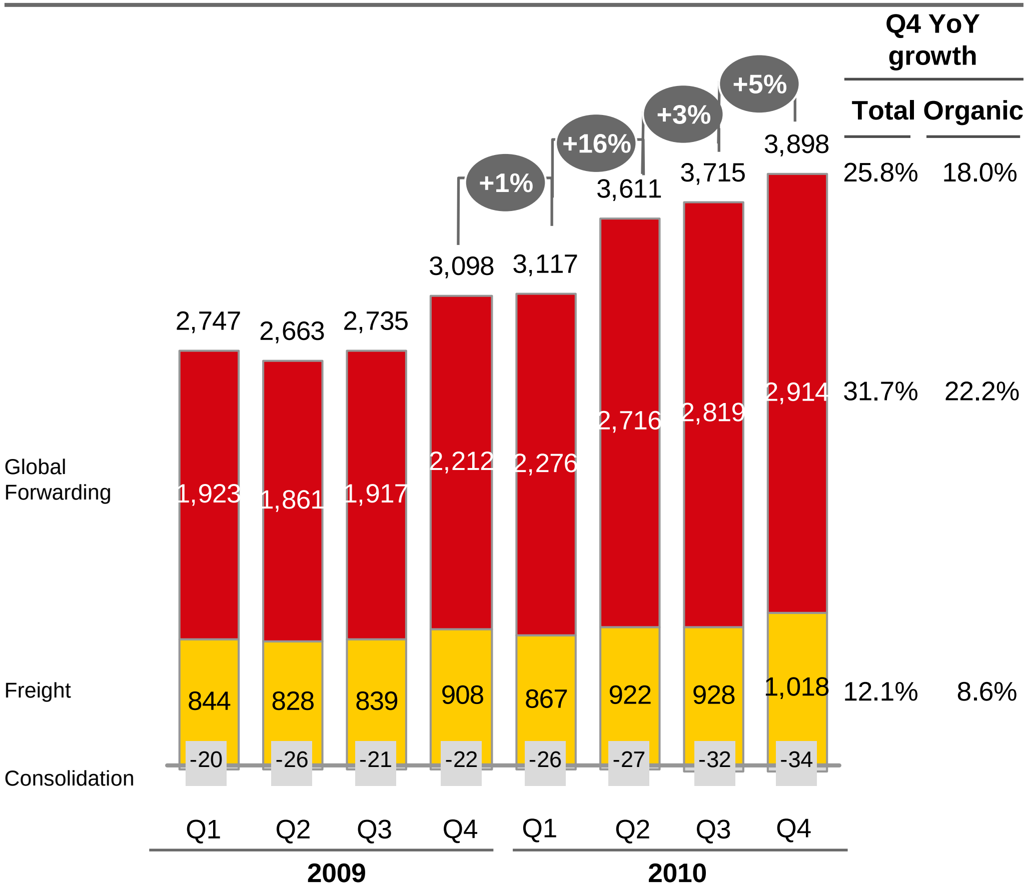
Outlook

- Macro-economic outlook: We remain cautiously optimistic regarding the overall 2011 with a soft first quarter
- Freight rates: Expectation is of stable to lower rates within H1/2011
- Continued focus on strategic initiatives: Product innovation, multimode/end-to-end solutions, competence center roll-out and development of employees
- Despite tight cost management investments planned into strategic customer relations, dynamic sector competencies as well as IT infrastructure and solutions
- GoGreen: Extension of GoGreen service portfolio

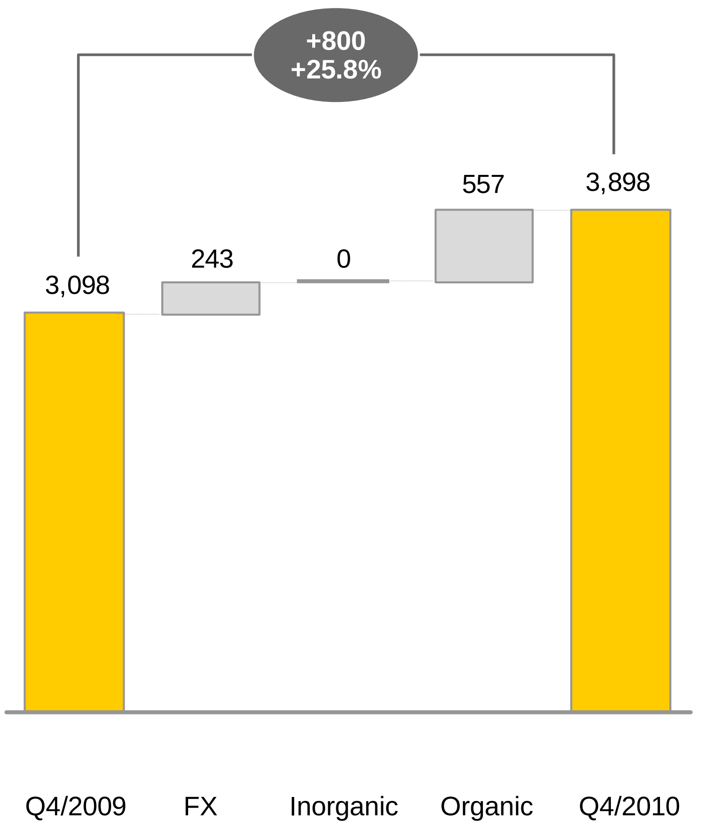
Global Forwarding, Freight divisional overview(1)

€ m

Quarterly revenue development



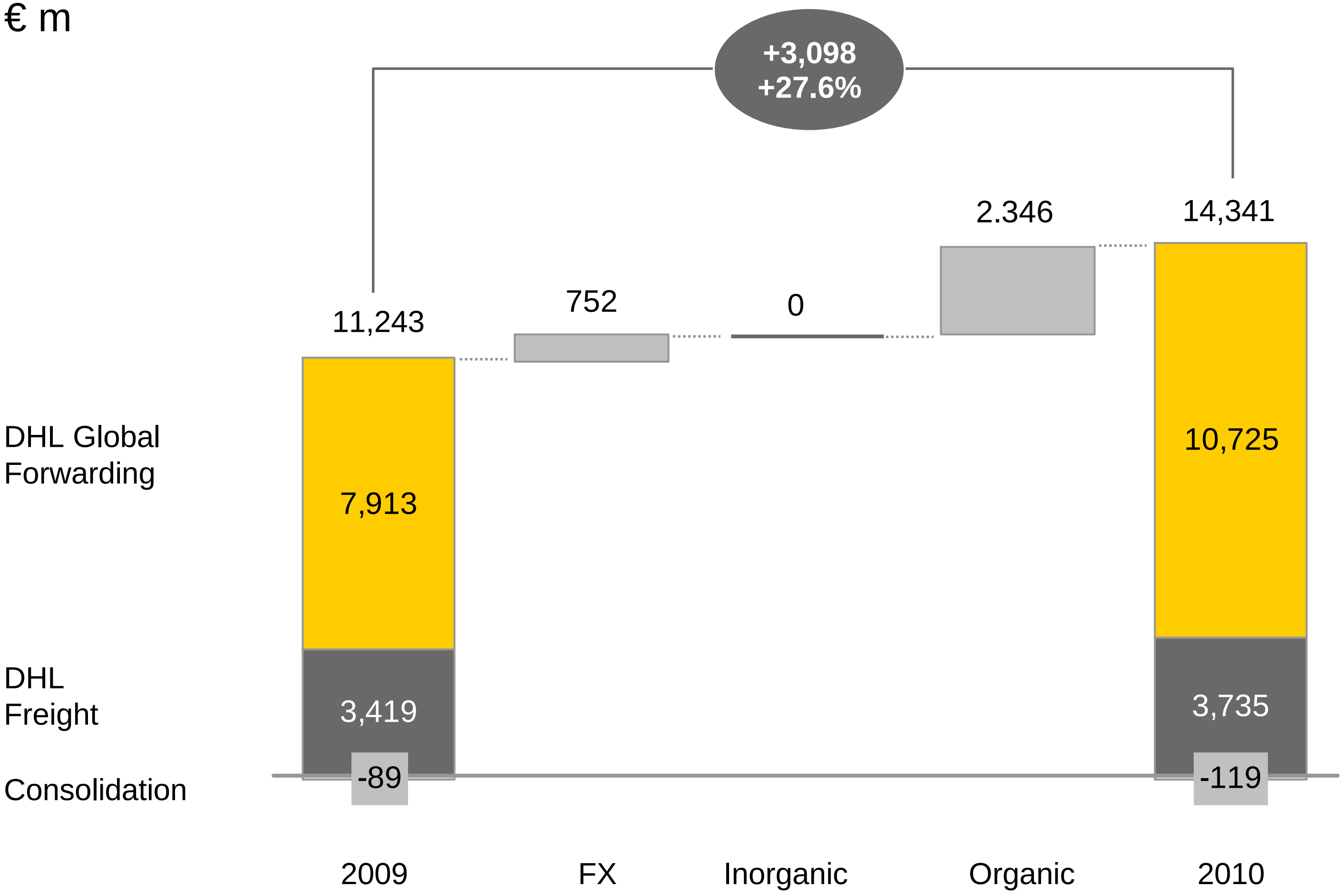
Revenue development Q4/2010 vs. Q4/2009



(1) Includes DHL Express Sweden's domestic business transferred to DHL Freight

Global Forwarding, Freight divisional overview – Revenue development (FY 2010 vs. FY 2009)

€ m

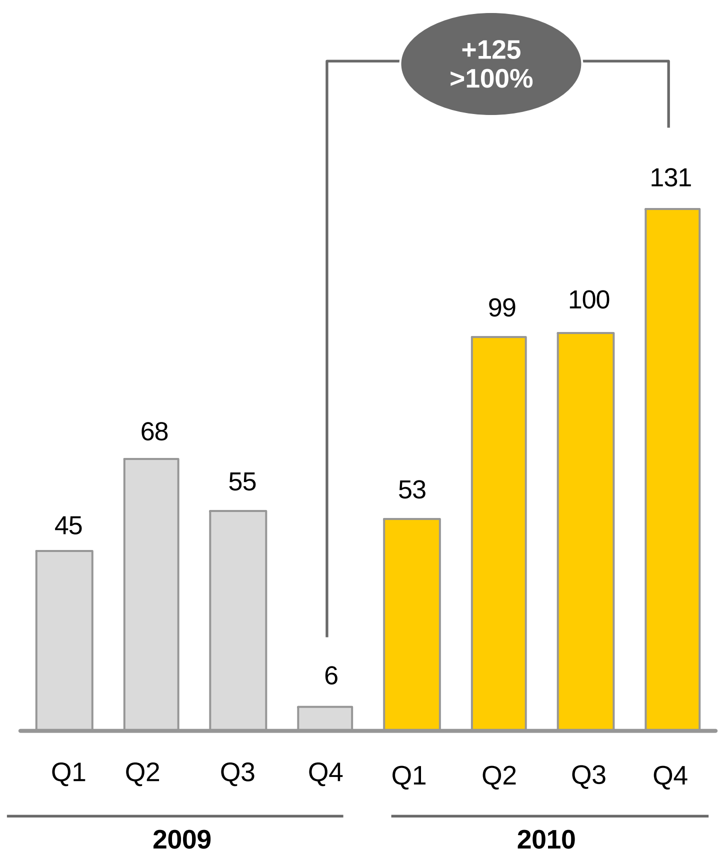


YoY growth	
Total	**Organic**
27.6%	20.9%
35.5%	27.3%
9.2%	6.1%

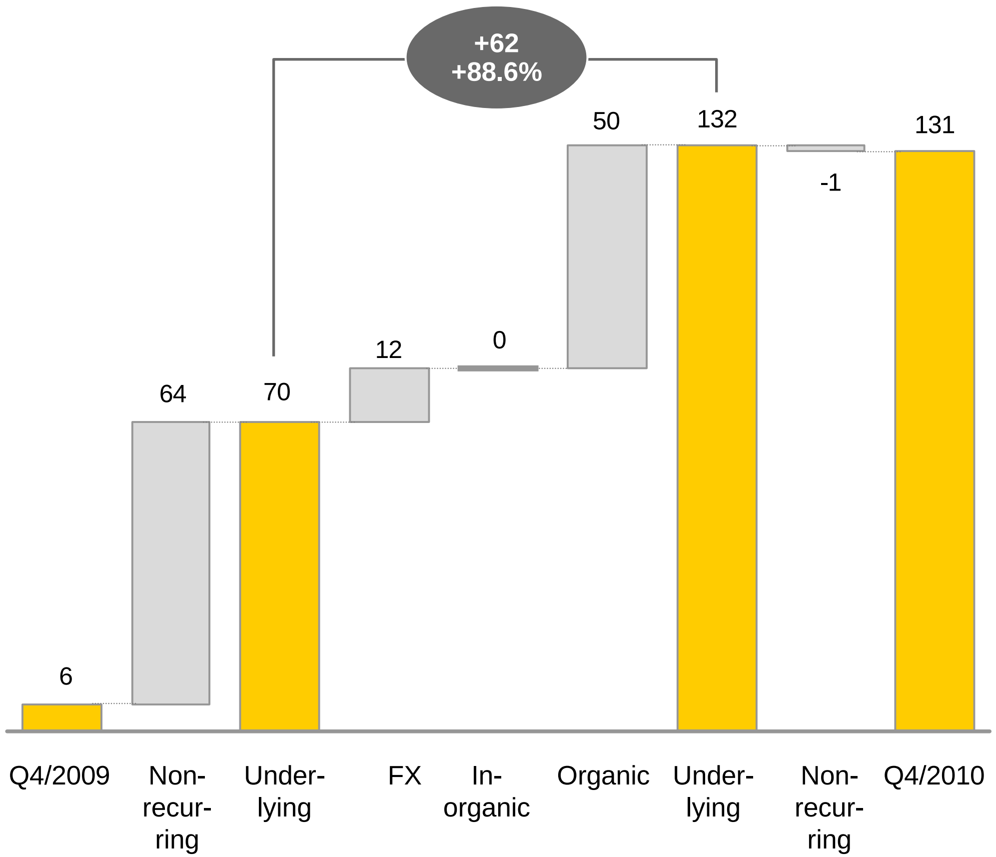
Global Forwarding, Freight divisional overview[1]

€ m

Quarterly EBIT development



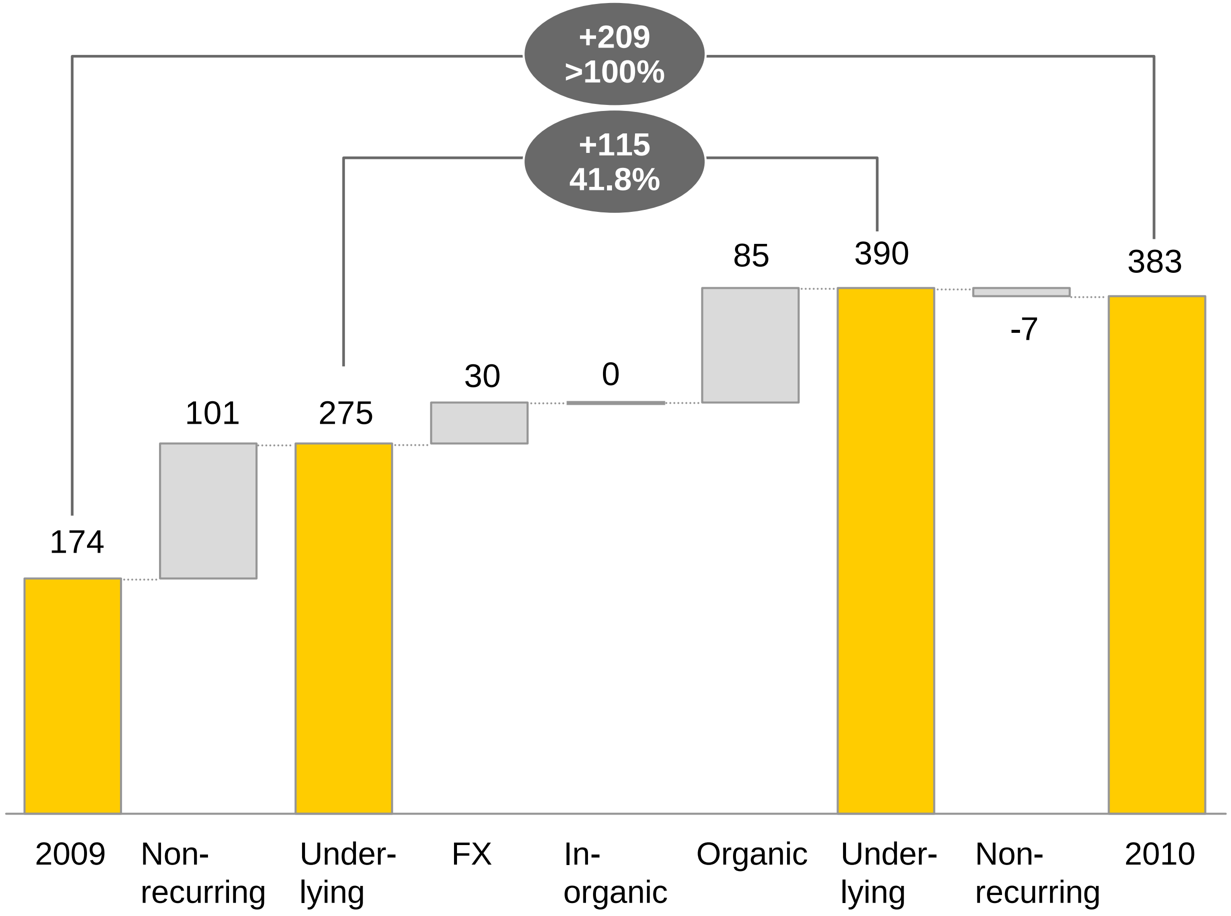
EBIT development Q4/2010 vs. Q4/2009



(1) Includes DHL Express Sweden's domestic business transferred to DHL Freight

Global Forwarding, Freight divisional overview – EBIT development (FY 2010 vs. FY 2009)

€ m

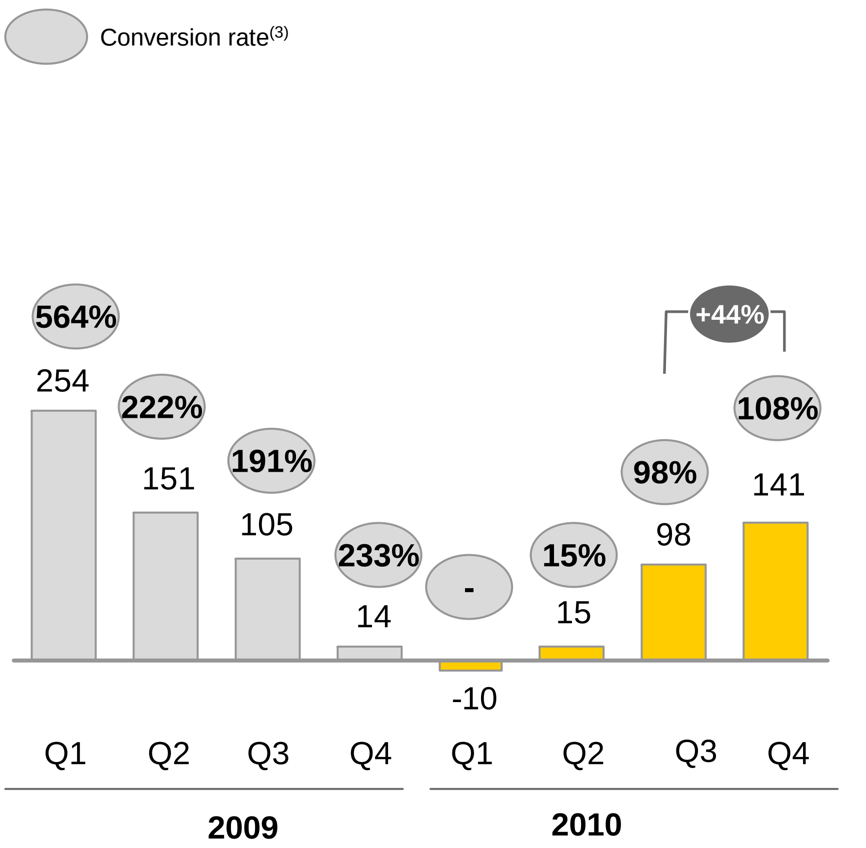


Strong growth in operating cash flow (+44% QoQ) due to higher EBIT

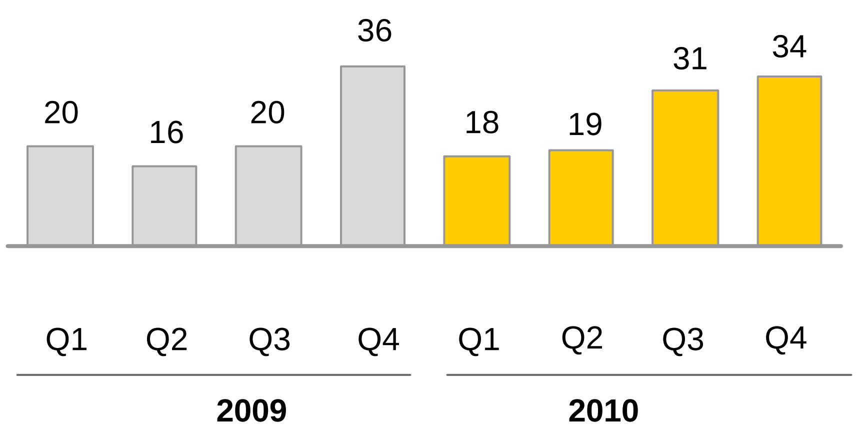
Global Forwarding, Freight operating cash flow and Capex(1)

€ m

Operating cash flow(2)



Capex development



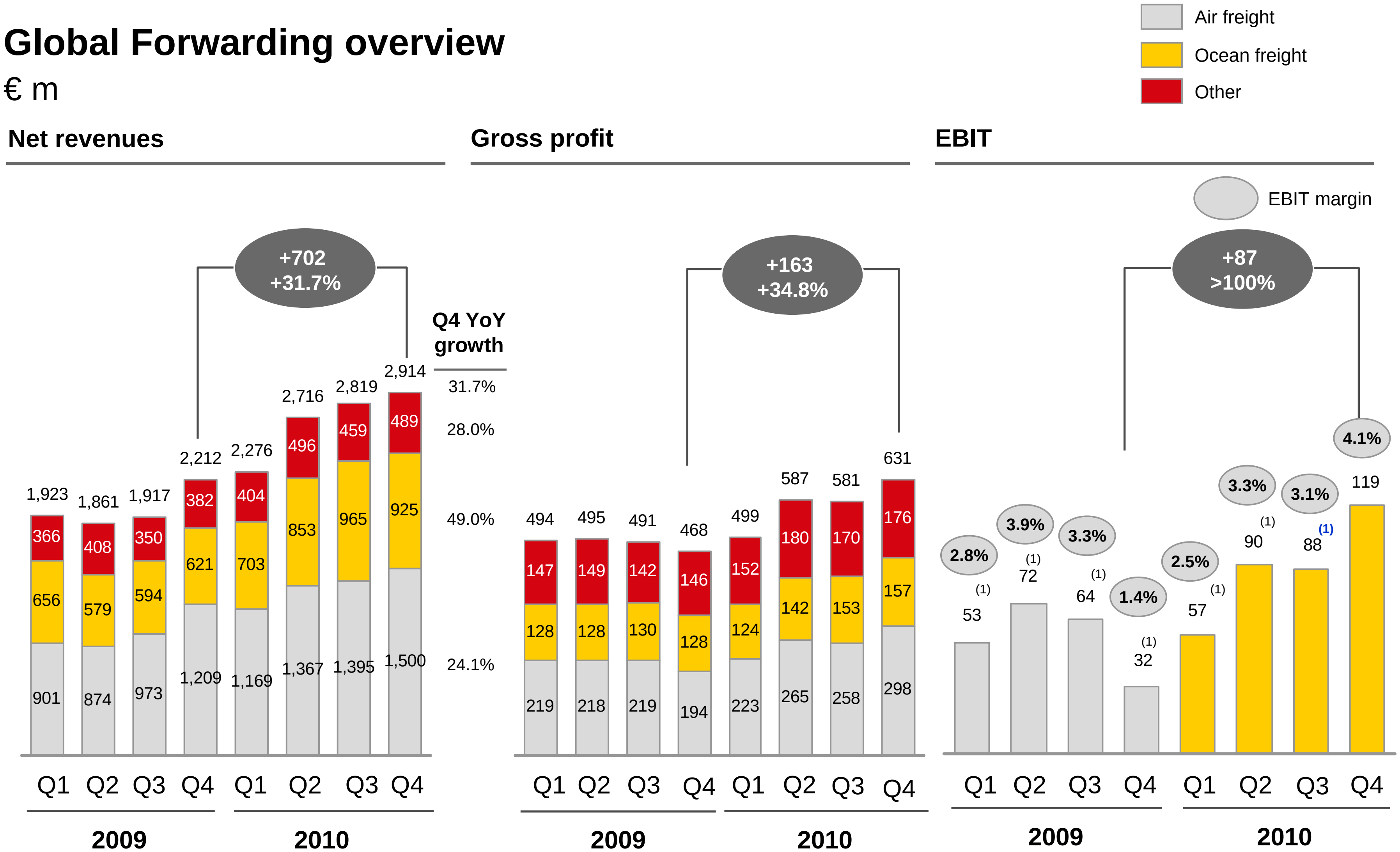
(1) Includes DHL Express Sweden's domestic business transferred to DHL Freight
(2) After changes in Net Working Capital
(3) Operating cash/EBIT reported

Revenues increased by 32% and significantly improved gross profit (+35%) YoY due to stabilizing margins despite challenges due to high carrier rates

Deutsche Post DHL

Global Forwarding overview

€ m



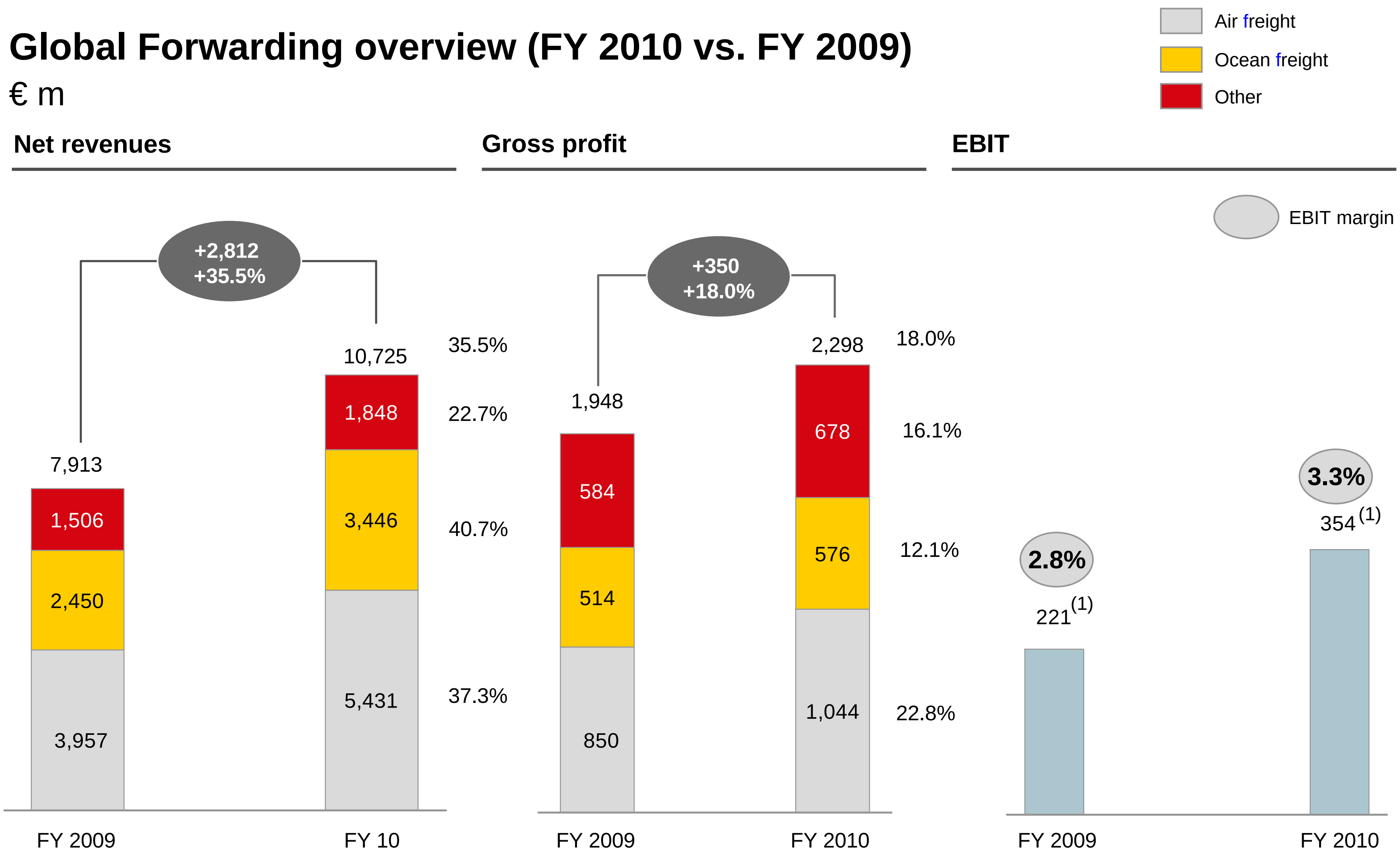
(1) Includes restructuring provisions

Ongoing stabilization – revenues increased by 36% and GP up by 18% YoY despite challenges due to high carrier rates and fuel prices throughout the year 2010

Deutsche Post DHL

Global Forwarding overview (FY 2010 vs. FY 2009)

€ m

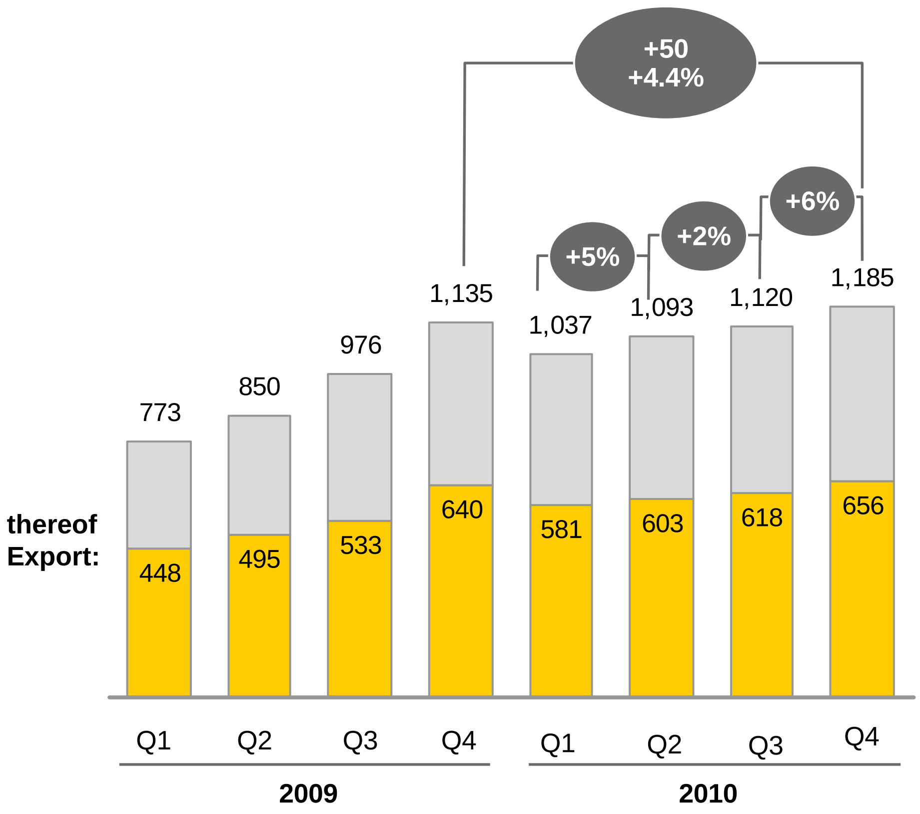


(1) Includes restructuring provisions

Global Forwarding – Quarterly development Air and Ocean freight

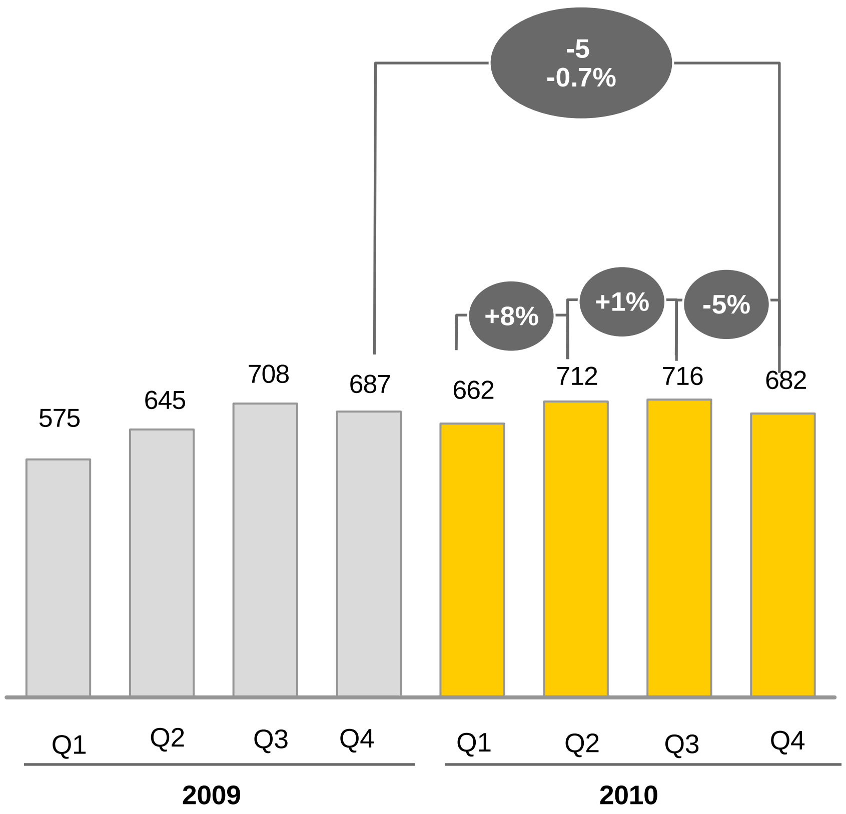
Air freight

‘000 Tons



Ocean freight

‘000 TEU[1]



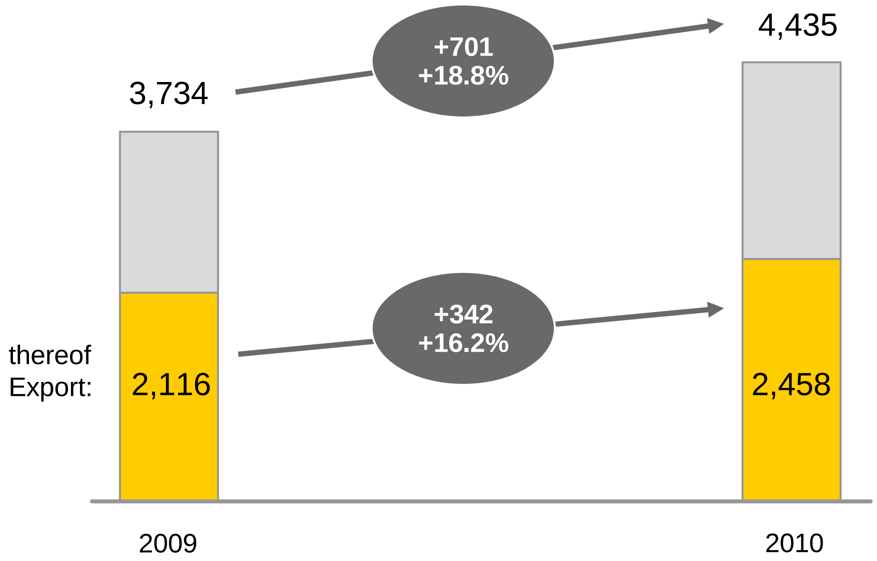
(1) Twenty Foot Equivalent Unit

Strong recovery of volumes in Air and Ocean freight to pre crisis levels

Global Forwarding –
Development Air and Ocean Freight (FY 2010 vs. FY 2009)

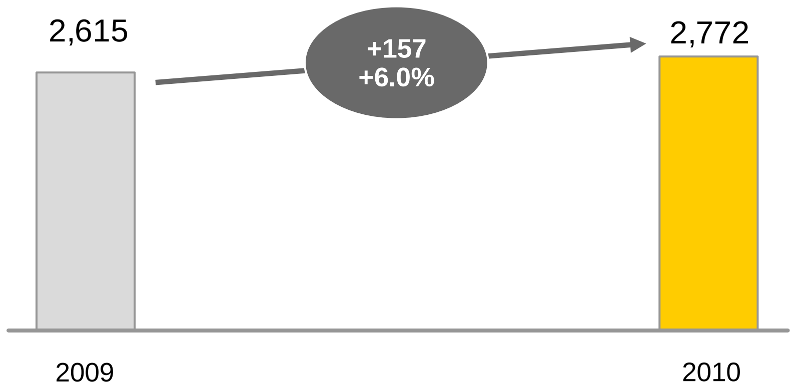
Air freight

'000 Tons



Ocean freight

'000 TEU[1]



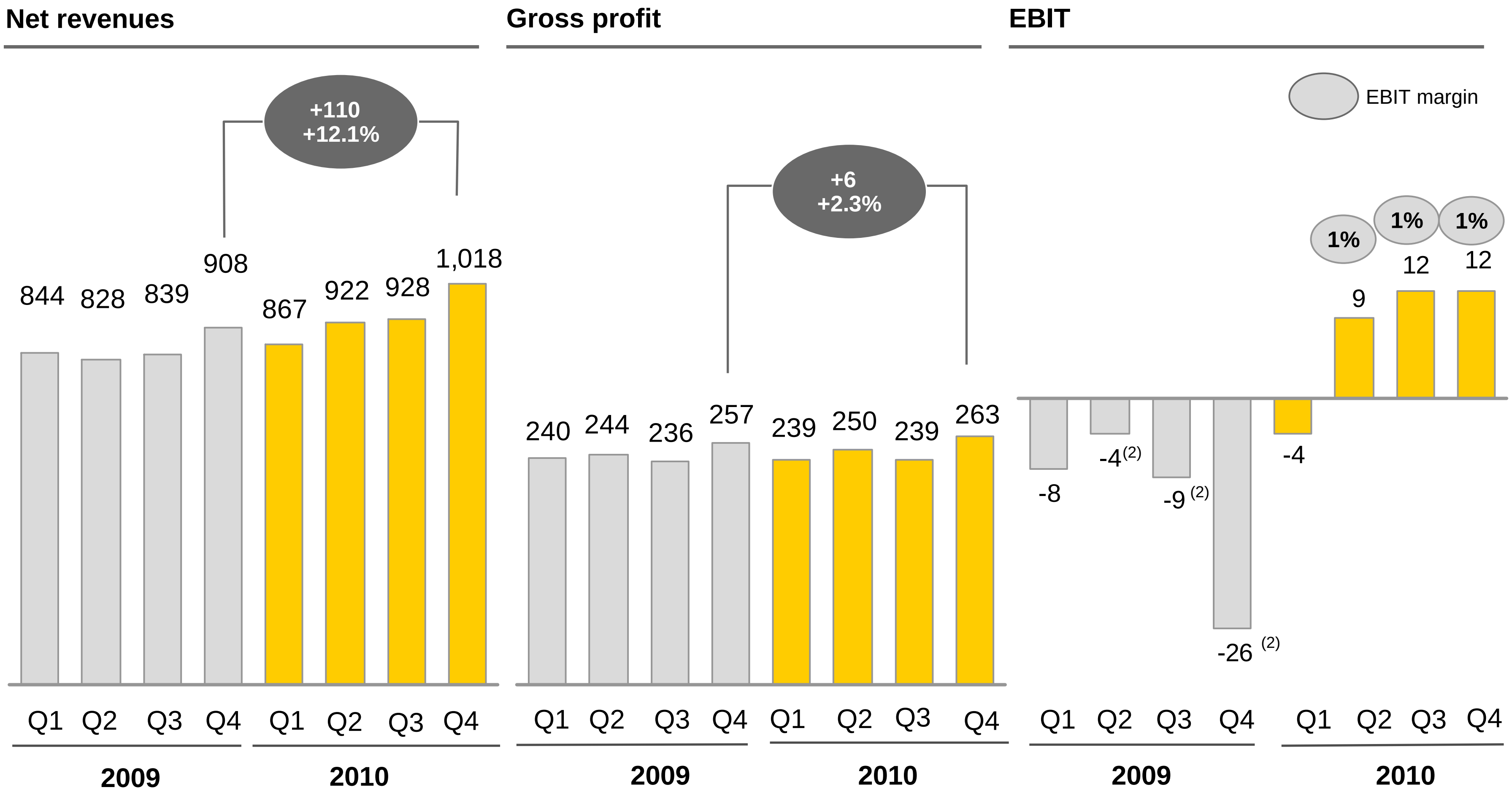
(1) Twenty Foot Equivalent Unit

Productivity improvements lead to stronger results in Freight business

Deutsche Post DHL

Freight overview[1]

€ m

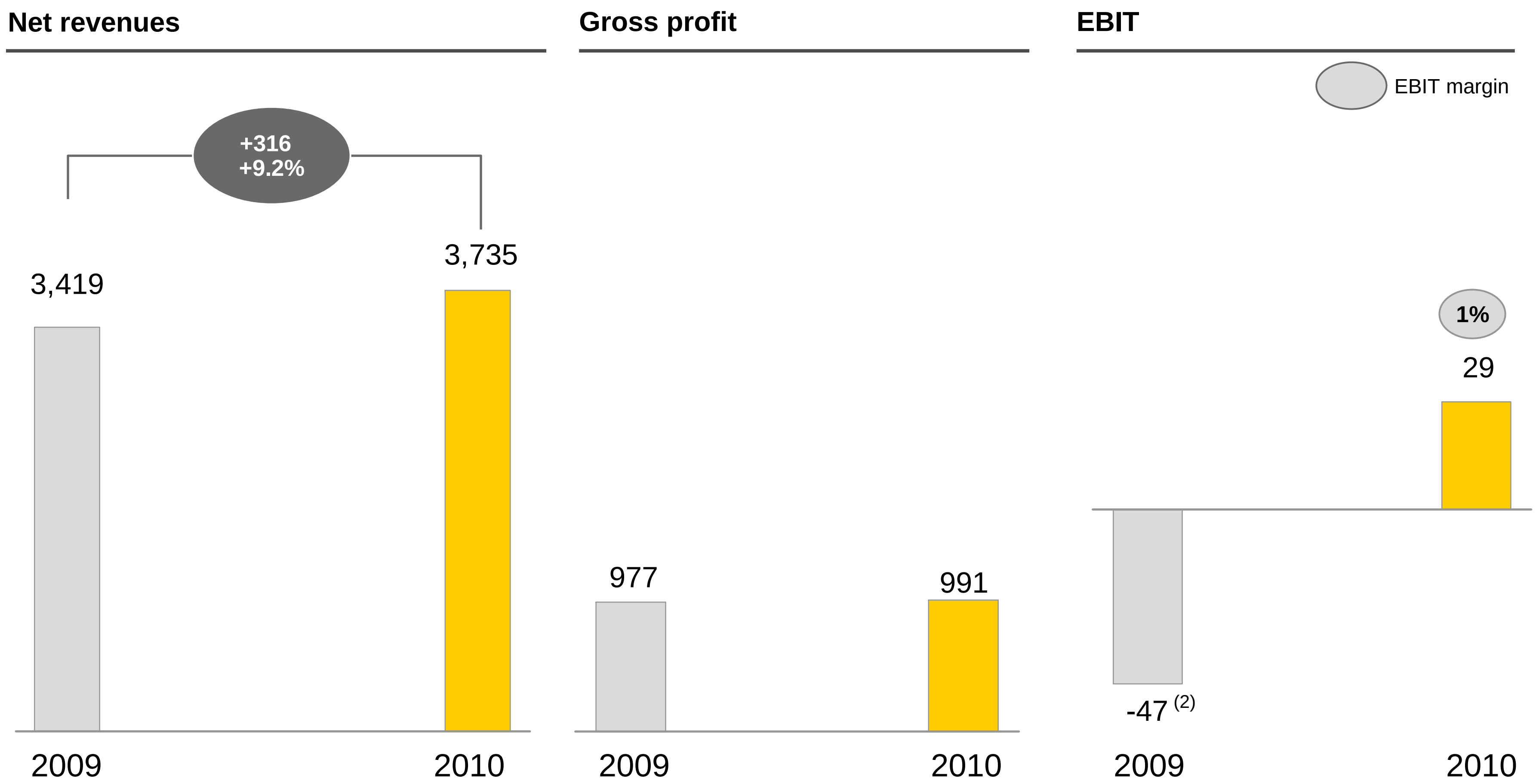


(1) Includes DHL Express Sweden's domestic business transferred to DHL Freight
(2) Includes restructuring provisions

Turnaround in DHL Freight far advanced

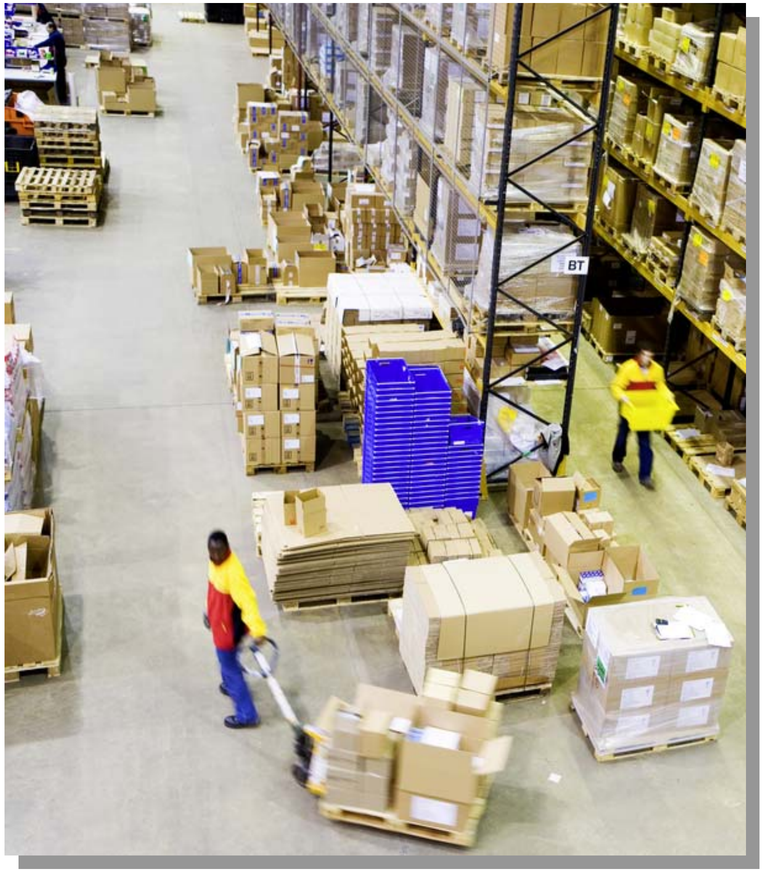
Freight overview(1) (FY 2010 vs. FY 2009)

€ m



(1) Includes DHL Express Sweden’s domestic business transferred to DHL Freight
(2) Includes restructuring provisions

SUPPLY CHAIN – Divisional results overview



€ m	Q4/2009	Q4/2010	Δ	Organic
Revenue	3,129	3,568	14%	7%
EBIT				
• Reported	-172 (2)	43	-	
• Underlying(1)	-102(2)	59	-	
• Operating cash flow(3)	204	110	-46%	
• Capex	60	81	35%	

€ m	FY 2009	FY 2010	Δ	Organic
Revenue	12,183	13,301	9%	3%
EBIT				
• Reported	-216 (2)	233	-	
• Underlying(1)	-132(2)	274	-	
• Operating cash flow(3)	424	272	-36%	
• Capex	195	215	10%	

Contracts won – Annualized revenue Supply Chain

	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10
New gains	300	250	300	250	240	260	200	400
Renewal rate	94%	92%	91%	91%	90%	90%	88%	88%

(1) Details about non-recurring effects can be found in the appendix
(2) Includes charges related to Arcandor/Quelle of € -48m Q4/2009 and € -213m 2009 also includes costs incurred in Europe related to certain onerous contracts and impairment charges relating to legacy properties in Supply Chain of € -97m
(3) Supply Chain Division transferred a reporting unit to Global Business Services to centralize the related services. The operating cash flow figures of 2009 were adjusted accordingly with no EBIT impact

Supply Chain demonstrates record revenue and strong EBIT growth

Deutsche Post DHL

Supply Chain division highlights Q4/2010

Performance highlights

- Supply Chain generated the highest quarter revenue since the division was created with Q4/2010 revenue of € 3,568m. This represented an increase of 14.0% on previous year (€ 3,129m) reflecting an upturn in existing business activity, new business gains and favourable currency effects, the latter amounting to €225m. Organic revenue increased by 6.8%, this growth was constrained by around 170 basis points from the exit and non-renewal of a number of underperforming contracts
- All regions continued to demonstrate revenue growth
  - The Americas region revenue improved by 22.5% from growth across all sectors boosted by the strong US dollar. North Americas Supply Chain business growth was a little suppressed by the portfolio actions taken, Latin Americas demonstrated a significant improvement. Williams Lea US revenue growth was driven by an increase in the US Legal sector and Marketing Solutions business
  - The Asia Pacific region generated growth of 32.3% from increased trading volume in China and Thailand and new business in Australia
  - There was an 8.9% growth in the EMEA region, reflecting additional revenue from new and existing business and the continued strong performance of the Life Sciences & Healthcare sector in the United Kingdom. This was partly offset by the loss of Arcandor trading volume in Germany and the exit from a number of underperforming business contracts in other European countries
- Supply Chain generated € 43m EBIT in Q4/2010 (previous year -€ 172m) This included a €21m charge for a year-end special bonus. Adjusted for restructuring costs of € 16m underlying EBIT amounted to € 59m, € 161m better than the prior year comparative. Restructuring costs in Q4/2009 were € 70m. The Q4/2010 underlying EBIT margin rose from -3.3% to 1.7%
- Q4/2009 EBIT included charges of € 48m arising from the Arcandor insolvency and € 97m costs related to certain onerous contracts and impairment charges on legacy properties in Europe
- The strong Q4/2010 EBIT performance was achieved through the recovery and growth in existing business activity along with additional margin from new business gains, cost efficiencies and reductions, enhanced by positive currency effects
- All regions demonstrated a year on year improvement in Q4/2010 EBIT
  - Americas EBIT improvement was principally driven by net new business wins together with restructuring benefits and a strengthened US Dollar
  - Asia Pacific benefited from additional volume and margin improvements
  - EMEA demonstrated the highest level of EBIT growth from increased sector activity and restructuring benefits. The United Kingdom further benefited from new business and the Life Sciences & Healthcare sector performance
- Operating cash flow down due to working capital development

Market/competition highlights

- Since the start of 2010 the Contract Logistics market has improved, a development that is likely to accelerate in the coming years according to economic research institutes. A return of the market to pre-crisis levels is expected within the next one to two years
- DHL Supply Chain generated new business of around €400m in annualized revenue, with significant contract wins in Consumer, Life Sciences & Healthcare and Automotive. The Q4/2009 comparative was €250m

Investment/growth outlook

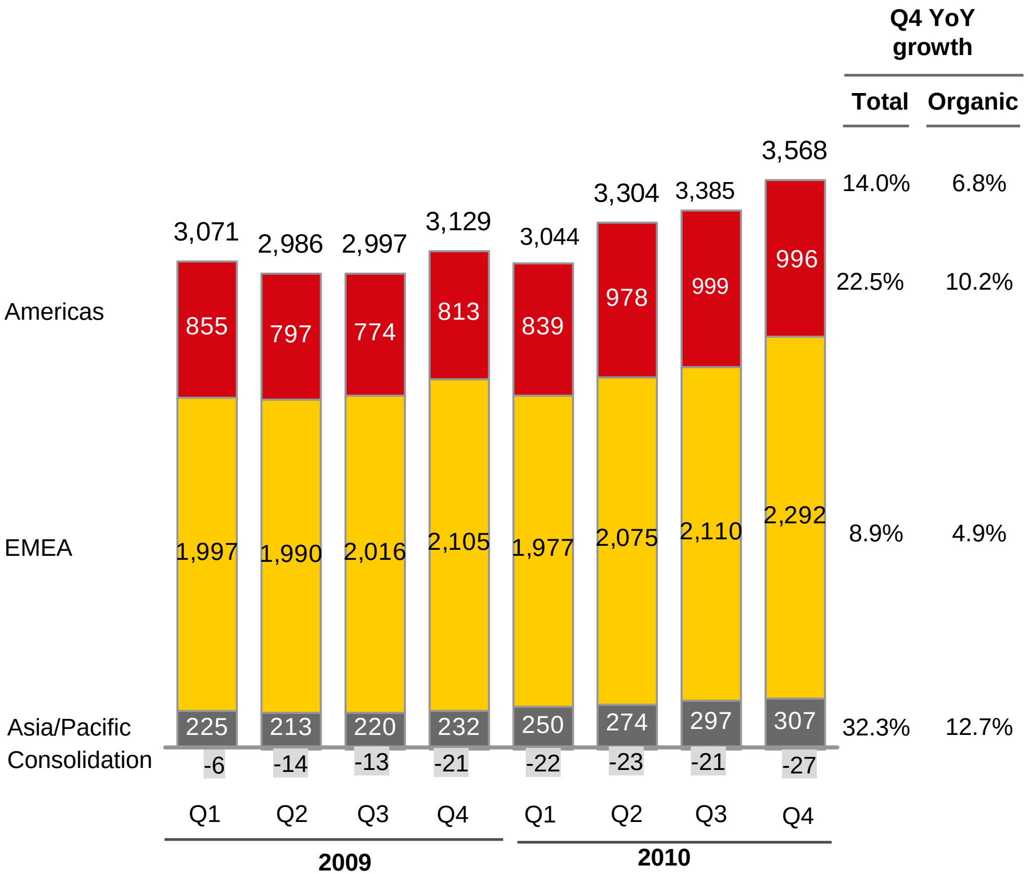
- Now that the Global economy has regained momentum, our operating business is again geared more strongly towards growth
- To capture this growth we are pursuing our strategy called “Growth Through Excellence” which is based on two major pillars: Continuous Improvement of our existing business and Profitable Growth by developing the business along our most important market verticals and solutions

Revenue growth accelerated due to increased volume, new business wins and favorable FX-effects

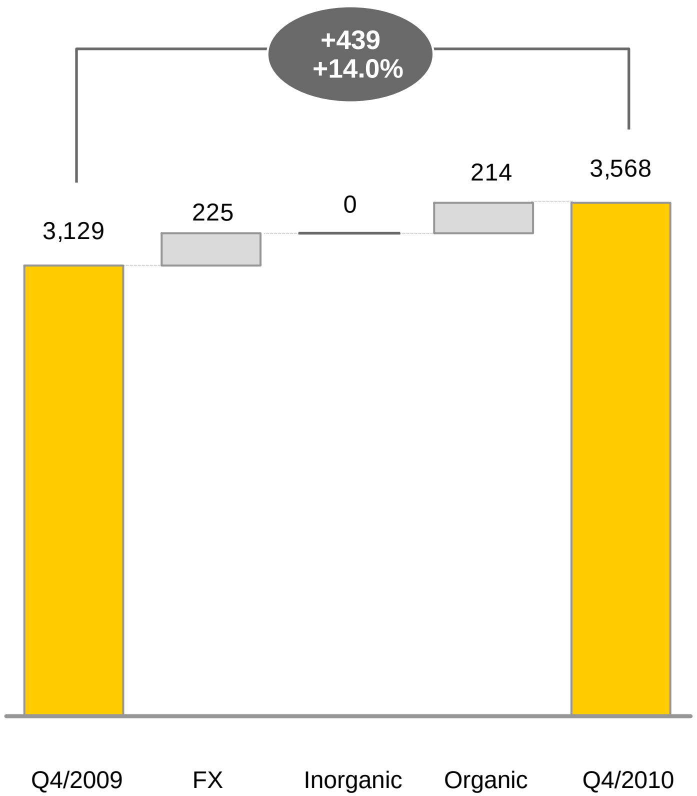
Supply Chain divisional overview

€ m

Quarterly revenue development by region



Revenue development Q4/2010 vs. Q4/2009

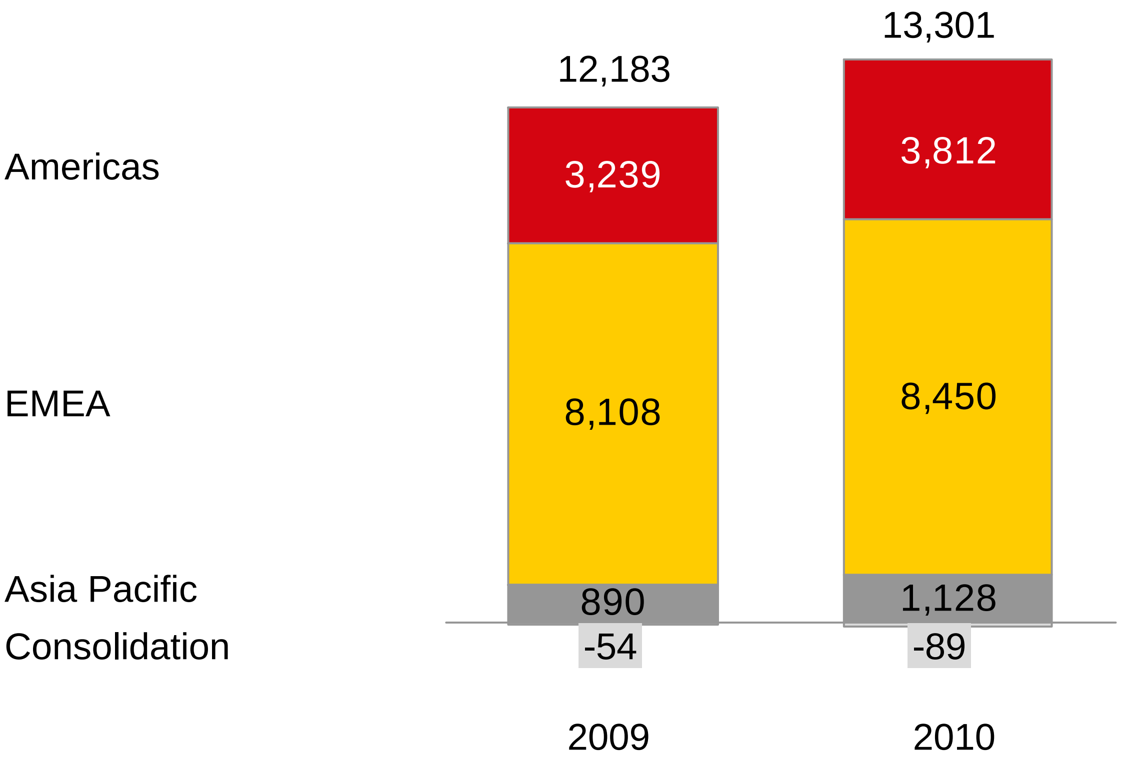


Despite loss of Quelle business revenues grew due to increased volumes in existing business and from new business wins

Deutsche Post DHL

Supply Chain divisional overview (FY 2010 vs. FY 2009)

€ m



	YoY growth	
	Total	Organic
Total	9.2%	3.4%
Americas	17.7%	8.0%
EMEA	4.2%	0.9%
Asia Pacific	26.7%	10.9%

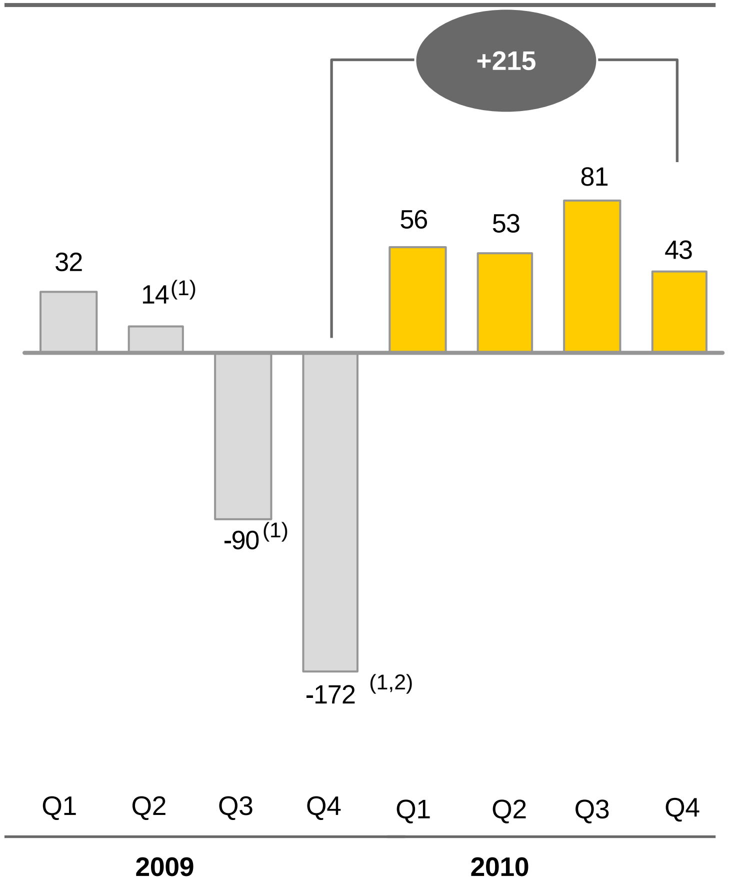
Strong EBIT performance due to recovery and growth in existing business activity and additional margin from new business gains

Deutsche Post DHL

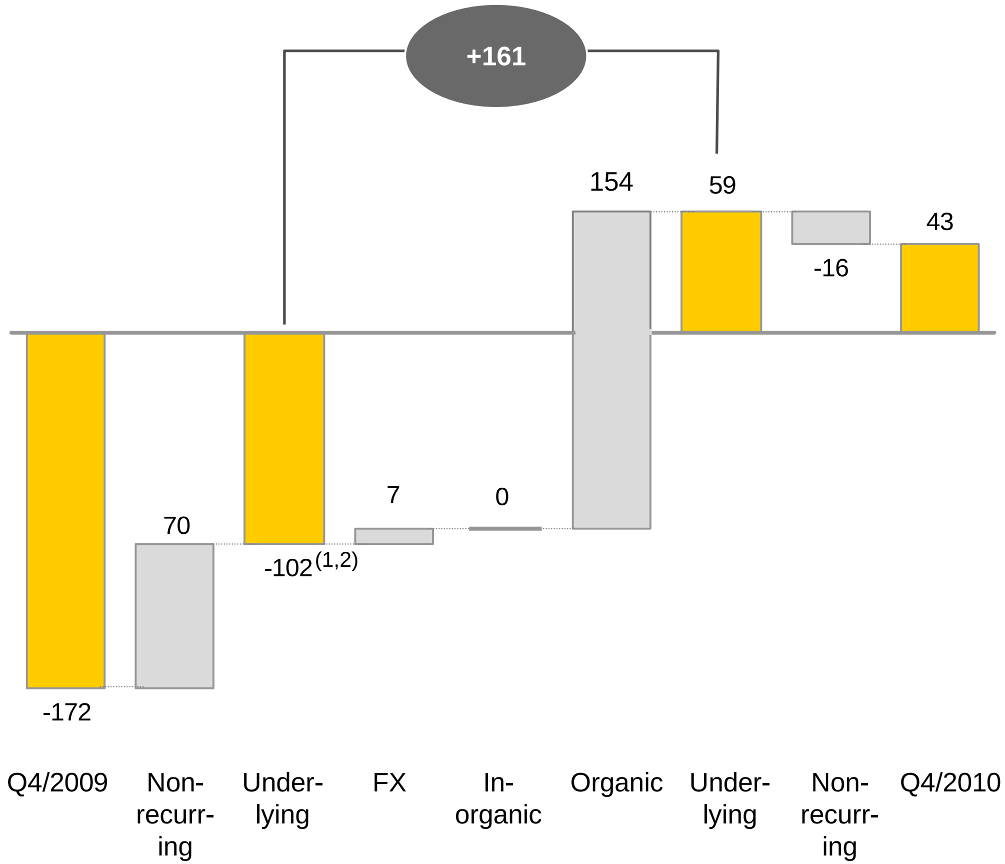
Supply Chain divisional overview

€ m

Quarterly EBIT development



EBIT development Q4/2010 vs. Q4/2009



(1) Includes charges related to Arcandor/Quelle: Q2/2009 € -25m, Q3/2009 € -141m, Q4/2009 € -48m
(2) Other one-off charges € -97m

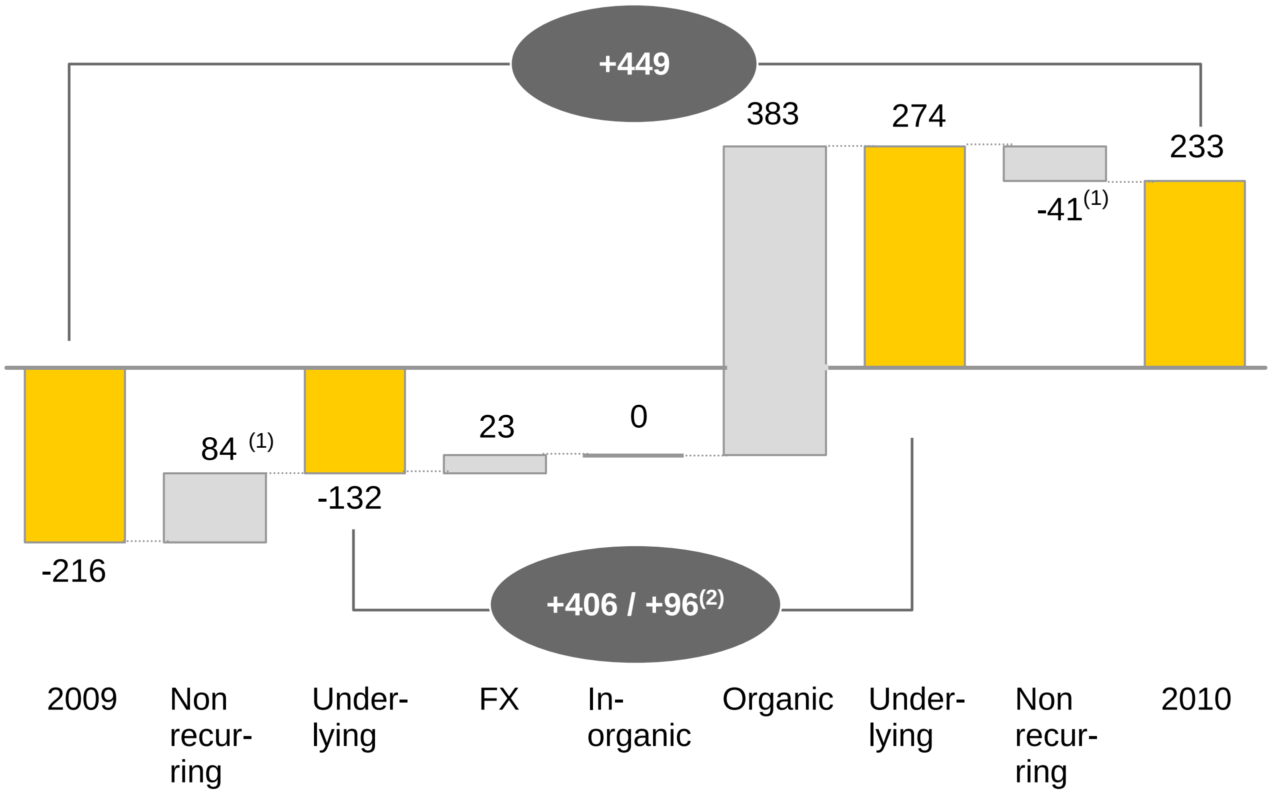
Increased profitability across all regions and the absence of Arcandor charges(2) lead to substantially higher EBIT

Deutsche Post DHL

Supply Chain divisional overview (FY 2010 vs. FY 2009)

€ m

EBIT development 2010 vs. 2009



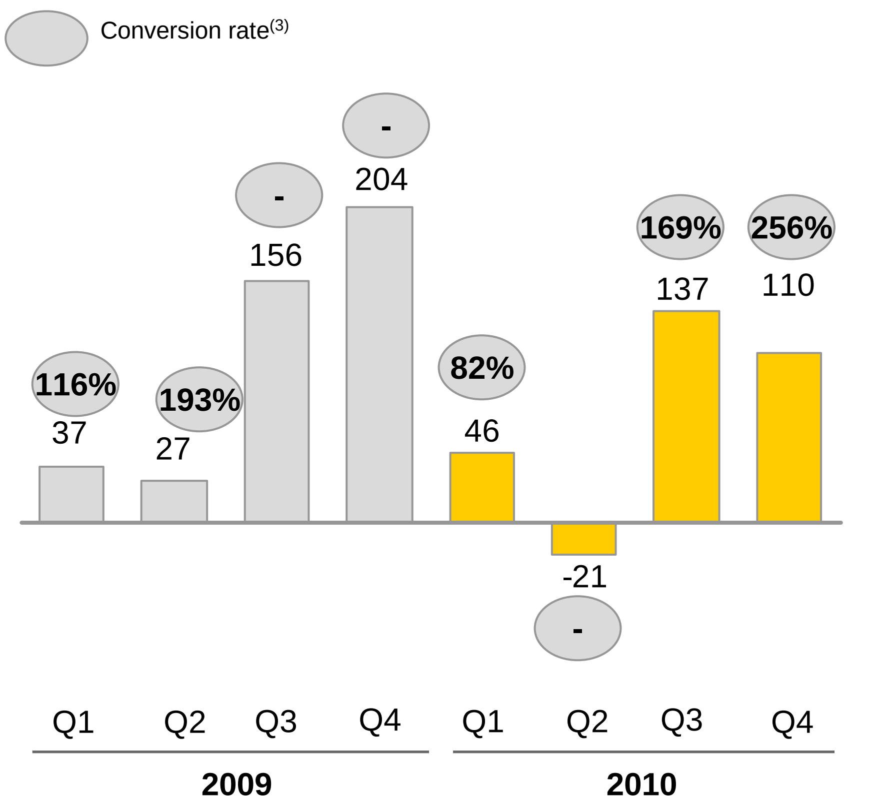
(1) Non-recurring effects can be found in the appendix
(2) Excluding € -213m charges related to Arcandor and € -97m costs incurred in Europe related to certain onerous contracts and impairment charges relating to legacy properties; this variance to prior year would be € +96m

Operating cash flow down due to working capital development

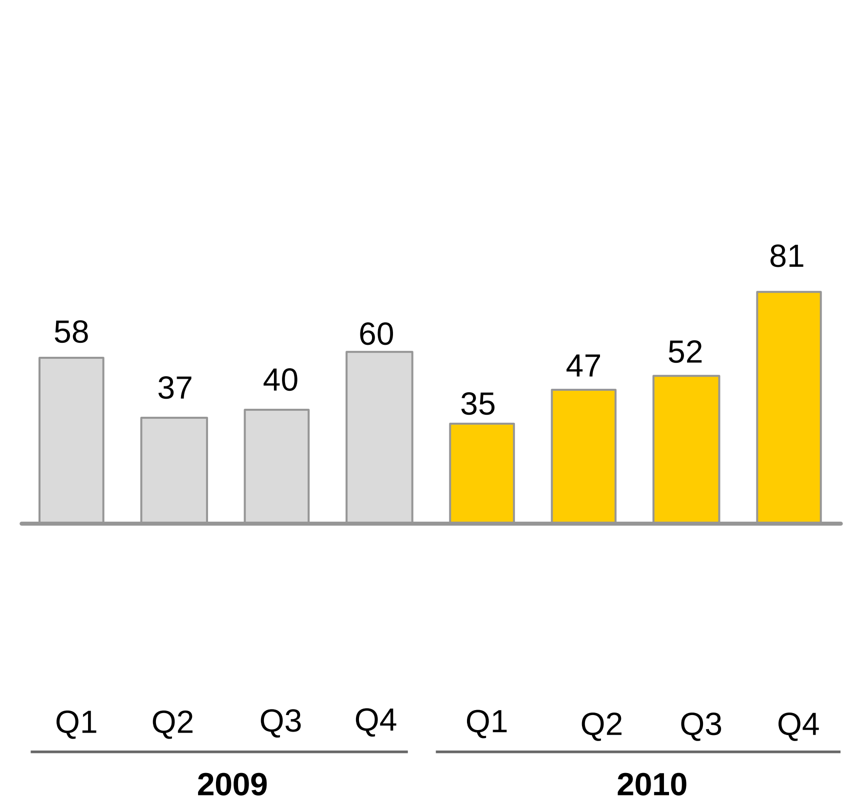
Supply Chain operating cash flow and Capex

€ m

Operating cash flow[1, 2, 4]



Capex development

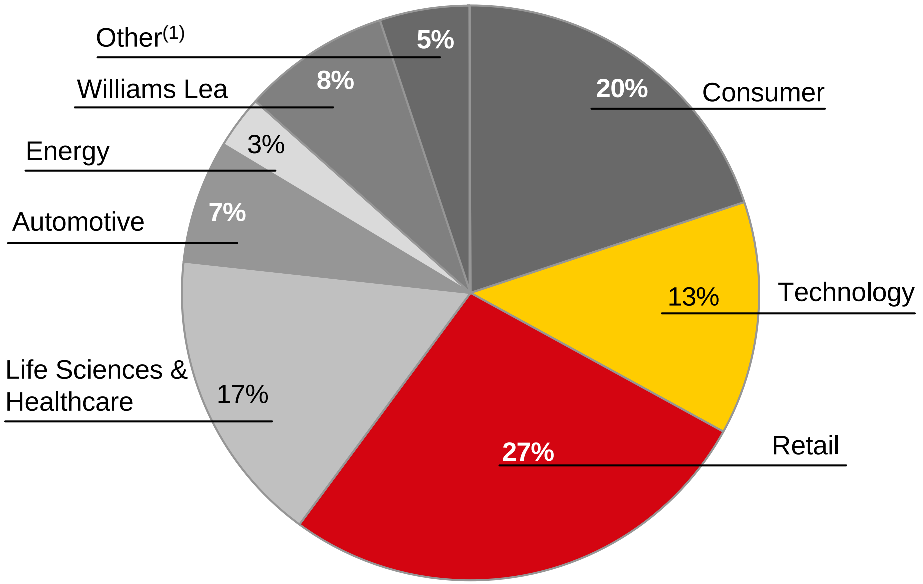


(1) Operating cash flow is after changes in Net Working Capital
(2) Supply Chain Division transferred a reporting unit to Global Business Services to centralize the related services. The operating cash flow figures of 2009 were adjusted accordingly with no EBIT impact
(3) Operating cash flow/EBIT reported
(4) Q1-Q4 2009 and Q1-Q2 2010 adjusted due to significant parts of Supply Chain division's Williams Lea Germany transferred to Mail division

SUPPLY CHAIN revenue and business wins by sector

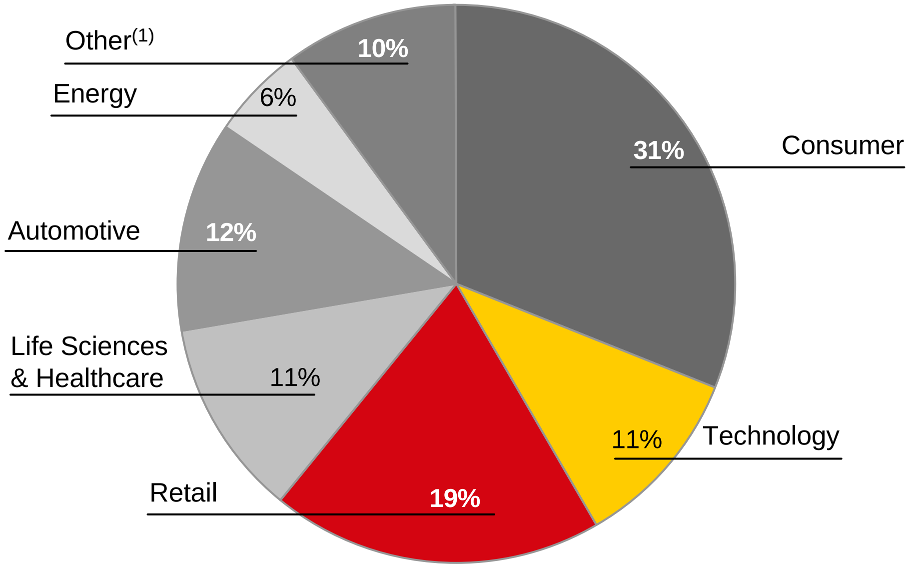
Revenue by sector Q4/2010

Total revenue € 3,568m



Business wins by sector Q4/2010

Annualized revenue won € 400m

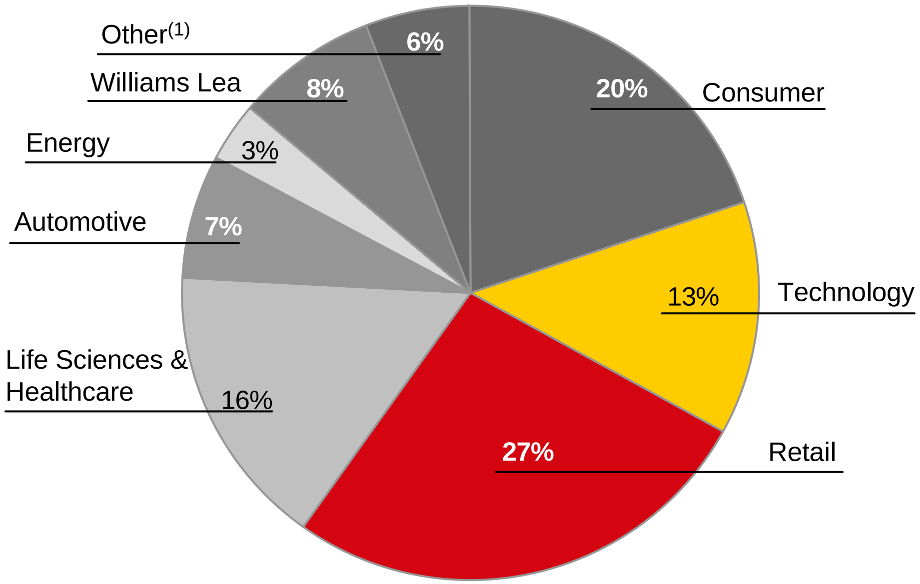


(1) Other includes Airline Business Solutions

SUPPLY CHAIN revenue and business wins by sector

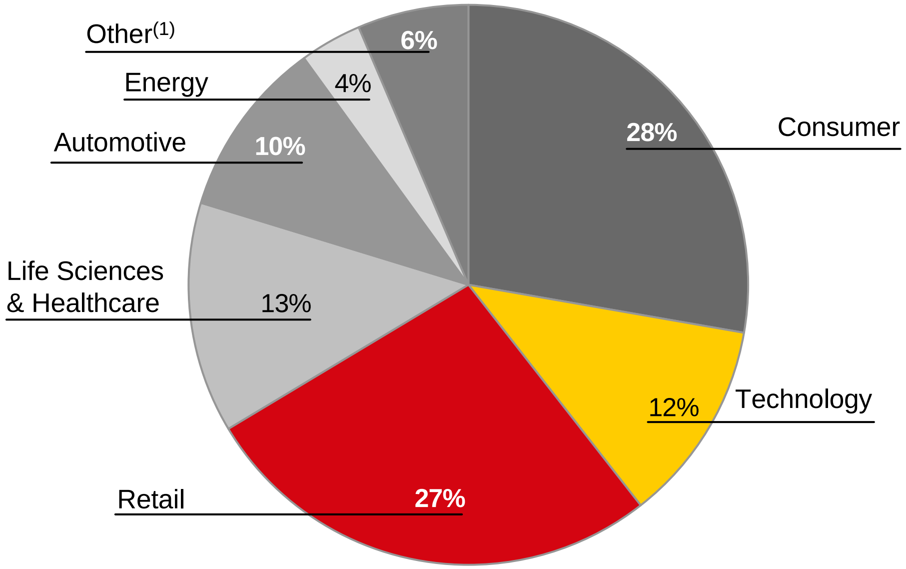
Revenue by sector 2010

Total revenue € 13,301m



Business wins by sector 2010

Annualized revenue won € 1,100m



(1) Other includes Airline Business Solutions

Customer Success Story – Pfizer

Region / Country:

Australia

Sector:

Life Sciences & Healthcare

Date Gain:

December 2010

Date Go-Live:

January 2011

Customer solution offered & Value for the customer

Solution Offered

- Streamline the supply chain to allow efficient direct distribution from manufacturer, Pfizer, to community pharmacies
- Provide lot traceability to pharmacy to assist in the management of counterfeit, substitution & targeted recalls
- Utilise established DHL Supply Chain (DSC) infrastructure & order to cash system to migrate from a wholesale distribution to a direct distributor model

Value for the customer

- The solution enables Pfizer to implement a new business model based on direct to pharmacy distribution
- Pfizer will use these additional sales to rebate customer loyalty in readiness for patent(s) expiry in 2012 when competition from generic alternatives will increase

Approach & Value for DHL

Background & Approach

- Long term development & implementation of order to cash solution
- Establishment of appropriate licenses for the 7 compliant distribution centres throughout Australia
- Implemented advanced Material Handling Equipment (MHE) technology to meet the high velocity and volumes in the direct model
- The project required 84 DSC team members across 10 different Regional and SC departments and functions

Value for DHL

- The potential to dramatically change the Pharmacy distribution channel
- This is an industry changing strategy for DHL and hence other customers may follow in Pfizer's decision to bypass wholesale distribution and approach DHL for the same solution

Contract term 3 years

Customer Success Story – Ford

Region / Country:

Asia Pacific

China

Sector:

Automotive Sector

Date Go-Live:

Oct 2010

Customer solution offered & Value for the customer

Solution Offered

- After market Parts Distribution Center (PDC) services in ZhengZhou, Henan Province
- Services include: Receiving, Inspection, inventory storage & management, Order Pick/Pack, etc

Value for the customer

- One 3PL to manage the PDC operations in China
- Streamlined and standardized processes and operation

Approach & Value for DHL SUPPLY CHAIN

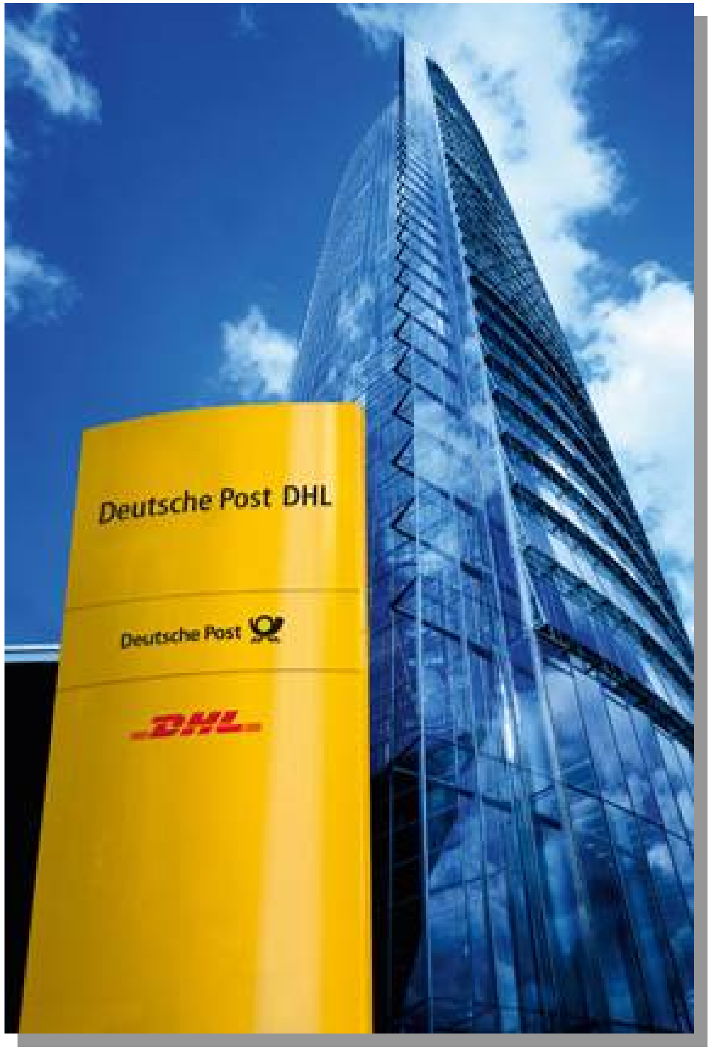
Background & Approach

- DHL Supply Chain China started operating the first PDC for ChangAn Ford Shanghai in 2005
- We subsequently took on Beijing and Guangzhou in 2006
- With reliable and good performance, DHL now operate four of ChangAn Ford’s PDCs, with the latest gain of ZhengZhou in Q4/2010

Value for **DHL**

- Good show case and reference of DSC China’s capability in the Automotive After – Market PDC operations

Corporate Center/Other – Divisional results overview

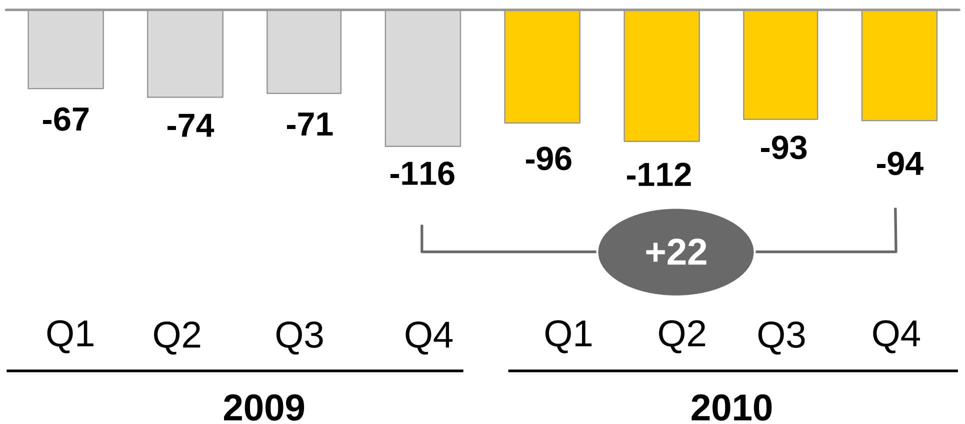


€ m	Q4/2009	Q4/2010
Revenue	345	332
EBIT	-116	-94(1)

€ m	FY 2009	FY 2010
Revenue	1,527	1,302
EBIT	-328	-395(1)

Corporate Center/Other EBIT

€ m



(1) Delta vs last year includes central currency hedging effects of € -17m in Q4 2010 and € -101 in 2010

Agenda

EBIT Full-Year 2011 guidance

- **Double-digit DHL EBIT growth in 2011[(1)]**
- **Mail result stabilizing**

	2011
Group	€ 2.2 – 2.4bn
Mail	€ 1.0 – 1.1bn
DHL divisions	€ 1.6 – 1.7bn
Corp. Center/ Other	~ € -0.4bn

- Net profit excl. Postbank transaction effects to improve in line with operational performance
- Capex not more than € 1.6bn
- Tax rate of 25%
- Restructuring will have a considerably lower influence on operating cash flow than last year (in 2011 c. € 200m cash outflow)

Mid-term guidance confirmed

(1) Compared to underlying EBIT in 2010

Agenda

2010 financial result excluding Postbank related effects was € -580m

€ m

	2009					2010				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Net income from associates	**20**	**26**	**25**	**-43**	**28**	**34**	**24**	**31**	**-33**	**56**
Net other finance costs/net other financial income	**598**	**-34**	**-335**	**-212**	**17**	**1,294**	**-166**	**-253**	**58**	**933**
t/o Postbank-related	737	97	-188	-14	632	1,414	-46	-123	272	1,517
t/o not Postbank-related	-139	-131	-147	-198	-615	-120	-120	-130	-214	-584
Total net finance costs/net financial income	**618**	**-8**	**-310**	**-255**	**45**	**1,328**	**-142**	**-222**	**25**	**989**
t/o Postbank-related	757	123	-163	-66	651	1,448	-22	-92	235	1,569
t/o not Postbank-related	-139	-131	-147	-189	-606	-120	-120	-130	-210	-580

Reclassification of Postbank shares as ‘Assets held for sale’

	Share price < ~ € 21.00	Share price > ~ € 21.00
	• Mark to market valuation of investment • Offset by mark to market valuation of derivatives	• Value of investment capped at ~ € 21.00 • Mark to market valuation of derivatives
Impact 2011		
Interest component	€ -180m p.a.	€ -180m p.a.
Valuation	no significant impact	- € 90m per € 1 increase in Postbank share price and vice versa

Cash flow development

€ m

Q4/2010

EBIT

1 Depreciation, change in provisions, others

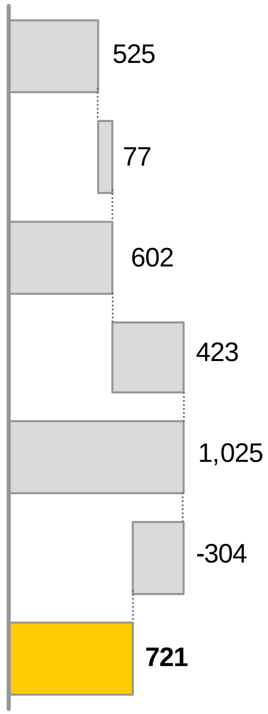
Op. CF before WC

Changes in WC

2 Op. CF after WC

Investment CF

FCF

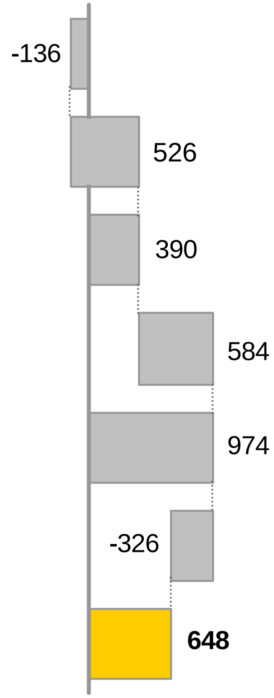


Observations

1 Lower than last year due to lower appropriation of provisions

2 Despite less cash from changes in working capital operating cash flow increased due to lower restructuring spend and higher EBIT

Q4/2009

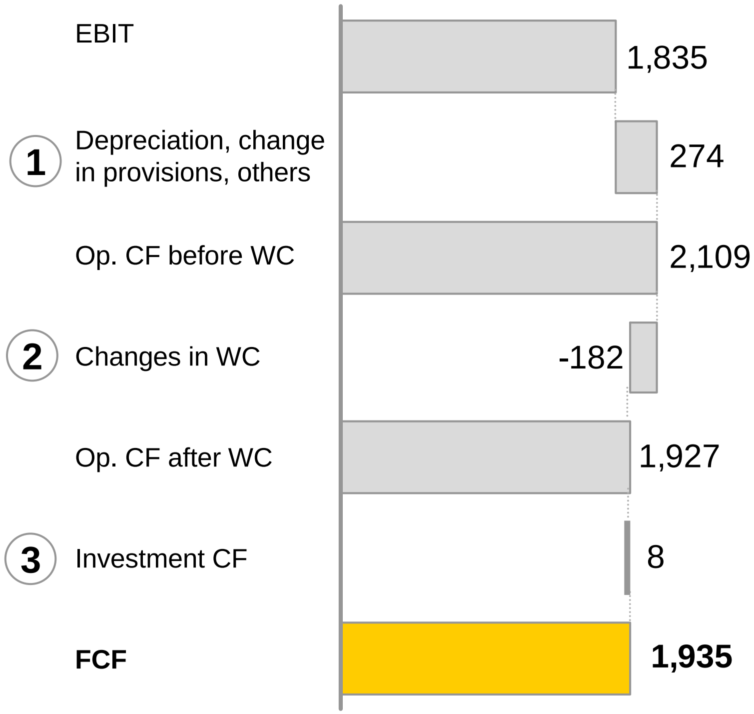


Deutsche Post DHL

Cash flow – 2010

€ m

2010



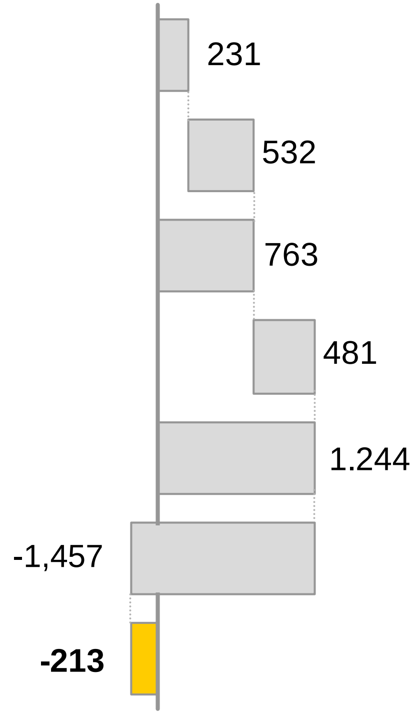
Observations

1 Last year included charges related to Arcandor and costs incurred in Europe related to certain onerous contracts and impairment charges relating to legacy properties in Supply Chain found in depreciation

2 Expanding working capital due to increased volumes in DHL

3 Positive Investment CF this year due to sale of marketable securities after previous year included investment of cash proceeds from Postbank sale in marketable securities

2009



MAIL – Cost structure

€ m

	Q4			FY		
	2009 [1]	**2010**	**Δ**	**2009** [1]	**2010**	**Δ**
Materials expense	1,283	1,414	10.2%	4,545	4,745	4.4%
in % of divisional revenues	*34.0%*	*37.1%*		*32.7%*	*34.3%*	
Staff costs	1,725	1,806	4.7%	6,862	6,905	0.6%
in % of divisional revenues	*45.7%*	*47.4%*		*49.3%*	*50.0%*	
Depreciation	79	99	25.3%	332	323	-2.7%
in % of divisional revenues	*2.1%*	*2.6%*		*2.4%*	*2.3%*	
Net other operating	185	263	42.2%	782	730	-6.6%
Total	**3,272**	**3,582**	**9.5%**	**12,521**	**12,703**	**1.5%**

(1) Cost structure adjusted due to significant parts of Supply Chain division's Williams Lea Germany transferred to Mail division

EXPRESS – Cost structure

€ m

	Q4			FY		
	2009 (1)	**2010**	**Δ**	**2009** (1)	**2010**	**Δ**
Materials expense	1,595	1,535	-3.8%	6,020	5,945	-1.2%
in % of divisional revenues	*59.7%*	*52.9%*		*60.7%*	*53.5%*	
Staff costs	912	734	-19.5%	3,407	2,877	-15.6%
in % of divisional revenues	*34.1%*	*25.3%*		*34.4%*	*25.9%*	
Depreciation	169	87	-48.5%	483	373	-22.8%
in % of divisional revenues	*6.3%*	*3.0%*		*4.9%*	*3.4%*	
Net other operating	354	330	-6.8%	797	1,419	78.0%
Total	**3,030**	**2,686**	**-11.4%**	**10,707**	**10,614**	**-0.9%**

(1) Cost structure adjusted due to DHL Express Sweden's domestic business transferred to DHL Freight

GLOBAL FORWARDING, FREIGHT – Cost structure

€ m

	Q4			FY		
	2009[1]	**2010**	**Δ**	**2009**[1]	**2010**	**Δ**
Materials expense	2,649	3,235	22.1%	9,143	11,891	30.1%
in % of divisional revenues	*85.5%*	*83.0%*		*81.3%*	*82.9%*	
Staff costs	417	454	8.9%	1,632	1,750	7.2%
in % of divisional revenues	*13.5%*	*11.6%*		*14.5%*	*12.2%*	
Depreciation	29	25	-13.8%	114	98	-14.0%
in % of divisional revenues	*0.9%*	*0.6%*		*1.0%*	*0.7%*	
Net other operating	-3	53	-	180	219	21.7%
Total	**3,092**	**3,767**	**21.8%**	**11,069**	**13,958**	**26.1%**

(1) Cost structure adjusted due to DHL Express Sweden's domestic business transferred to DHL Freight

SUPPLY CHAIN – Cost structure

€ m

	Q4			FY		
	2009 [2]	2010 [2]	Δ	2009 [2]	2010 [2]	Δ
Materials expense	1,865	2,210	18.5%	7,107	7,883	10.9%
in % of divisional revenues	*59.6%*	*61.9%*		*58.3%*	*59.3%*	
Staff costs	1,153	1,077	-6.6%	4,198	4,194	-0.1%
in % of divisional revenues	*36.8%*	*30.2%*		*34.5%*	*31.5%*	
Depreciation	89	78	-12.4%	392	298	-24.0%
in % of divisional revenues	*2.8%*	*2.2%*		*3.2%*	*2.2%*	
Net other operating	194	160	-17.5%	702	693	-1.3%
Total	**3,301** [1]	**3,525**	**6.8%**	**12,399** [1]	**13,068**	**5.4%**

(1) Includes charges related to Arcandor/Quelle of € -48m Q4/2009 and € -213m 2009 also includes costs incurred in Europe related to certain onerous contracts and impairment charges relating to legacy properties in Supply Chain of € -97m
(2) Cost structure adjusted due to significant parts of Supply Chain division's Williams Lea Germany transferred to Mail division

Net debt

€ m

	December 31, 2009	December 31, 2010
Non-current financial liabilities	6,699	6,275
Current financial liabilities	+ 740	+ 747
Financial liabilities	= 7,439	= 7,022
Cash and cash equivalents	– 3,064	– 3,415
Current financial assets	– 1,894	– 655
Long-term deposits[1]	– 120	– 120
Positive fair value of non current derivatives[1]	– 805	– 2,531
Financial assets	= -5,883	= -6,721
Financial liabilities to Williams Lea minority shareholders[2]	– 23	– 28
Mandatory exchangeable bond - Postbank deal[2]	– 2,670	– 2,796
Cash collateral put options - Postbank deal[2]	– 1,200	– 1,248
Net valuation of financial assets and liabilities - Postbank deal[3]	+ 647	+ 2,389
Adjustments of non-cash relevant items	= -3,246	= -1,683
Net debt (+)/liquidity (-)	= -1,690	= -1,382

(1) Listed on the balance sheet under non-current financial assets
(2) Listed on the balance sheet under non-current financial liabilities
(3) Listed on the balance sheet under non-current financial liabilities and assets

Non-recurring effects in P&L and cash flow

€ m

2009

P&L view	Q1	Q2	Q3	Q4	FY
Group	**-285**	**-148**	**-147**	**-662**	**-1,242**
Mail(4)	**0**	**-21**	**0**	**-11**	**-32**
Express(2)	**-272**	**-116**	**-120**	**-517**	**-1,025**
Global Forwarding, Freight(2)	**-5**	**-11**	**-21**	**-64**	**-101**
Supply Chain(4)	**-8**	**0**	**-6**	**-70**	**-84**
Group cash view	-433	-382	-308	-292	-1,415

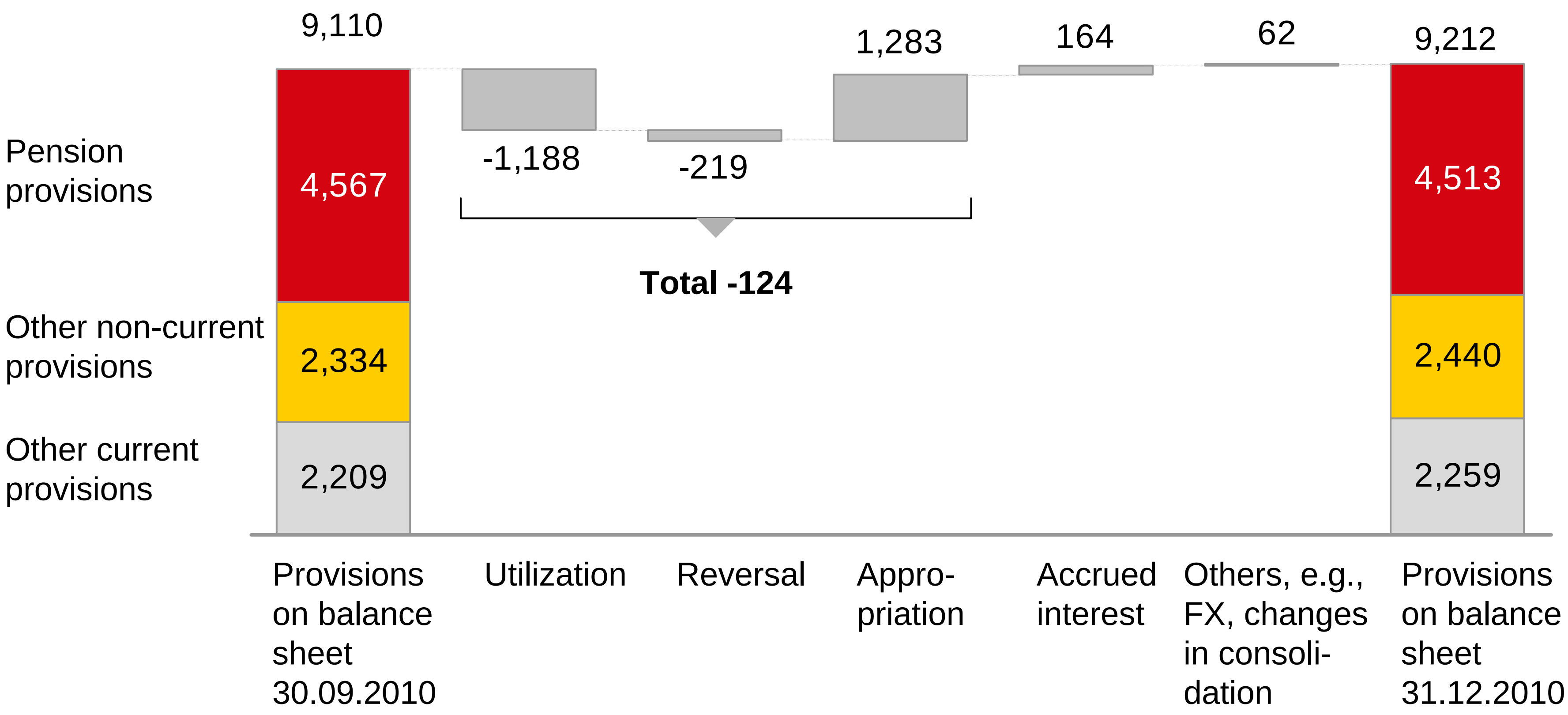
2010

P&L view	Q1	Q2	Q3	Q4	FY
Group	**-54**	**-250**	**+2**	**-68**	**-370**
Mail	**-2**	**-2**	**0**	**-30**	**-34**
Express	**-44**	**-228**	**+5**	**-21**	**-288**
Global Forwarding, Freight	**-1**	**-3**	**-2**	**-1**	**-7**
Supply Chain	**-7**	**-17**	**-1**	**-16**	**-41**
Group cash view(3)	-227	-381	-76	-110	-794

(1) CoC = Cost of Change
(2) Prior year numbers adjusted due to transfer of DHL Express Sweden's domestic business to DHL Freight
(3) Includes effects on operating cash flow and investing cash flow
(4) Partly adjusted due to significant parts of Supply Chain division's Williams Lea Germany transferred to Mail division

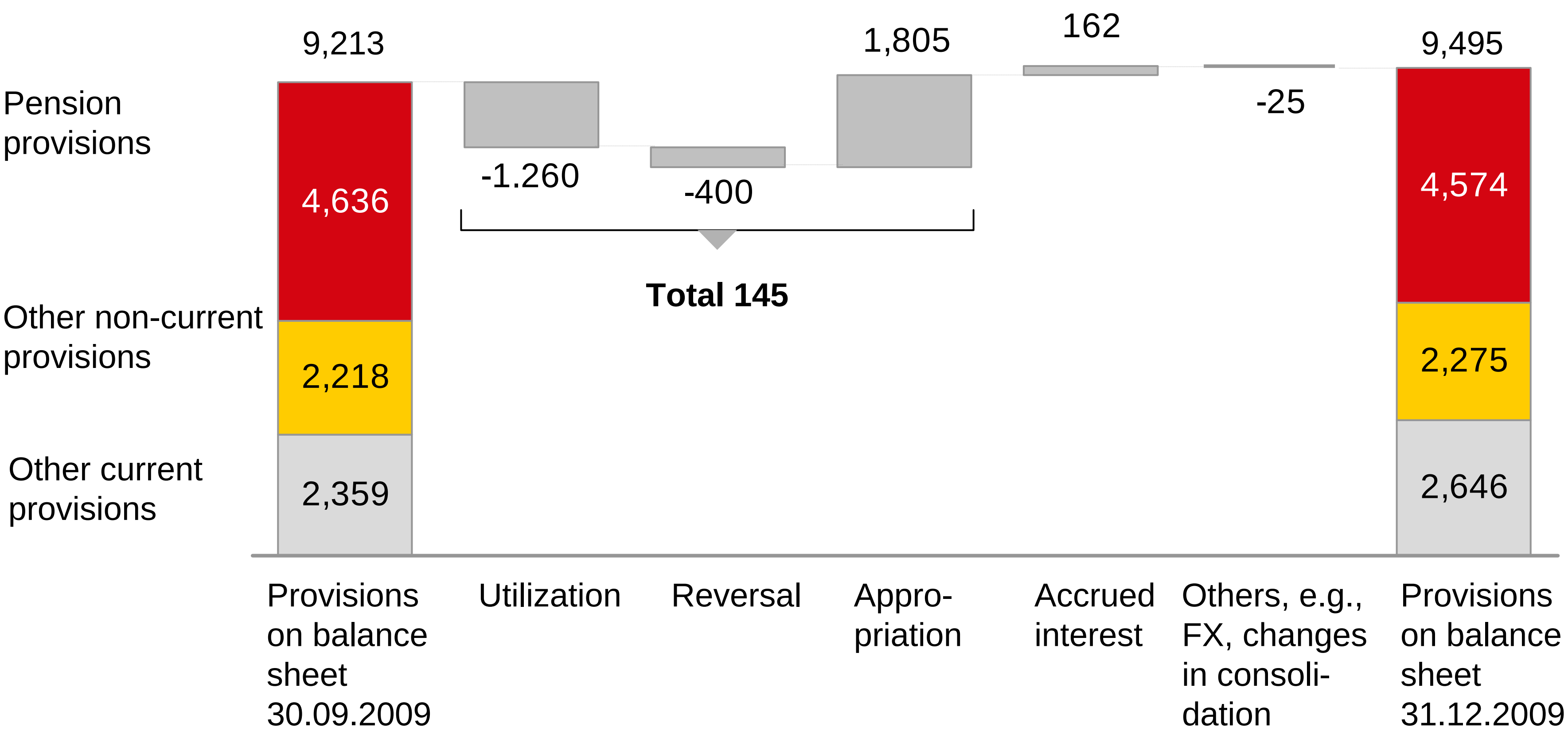
Provision movements – Q4/2010

€ m



Provision movements – Q4/2009

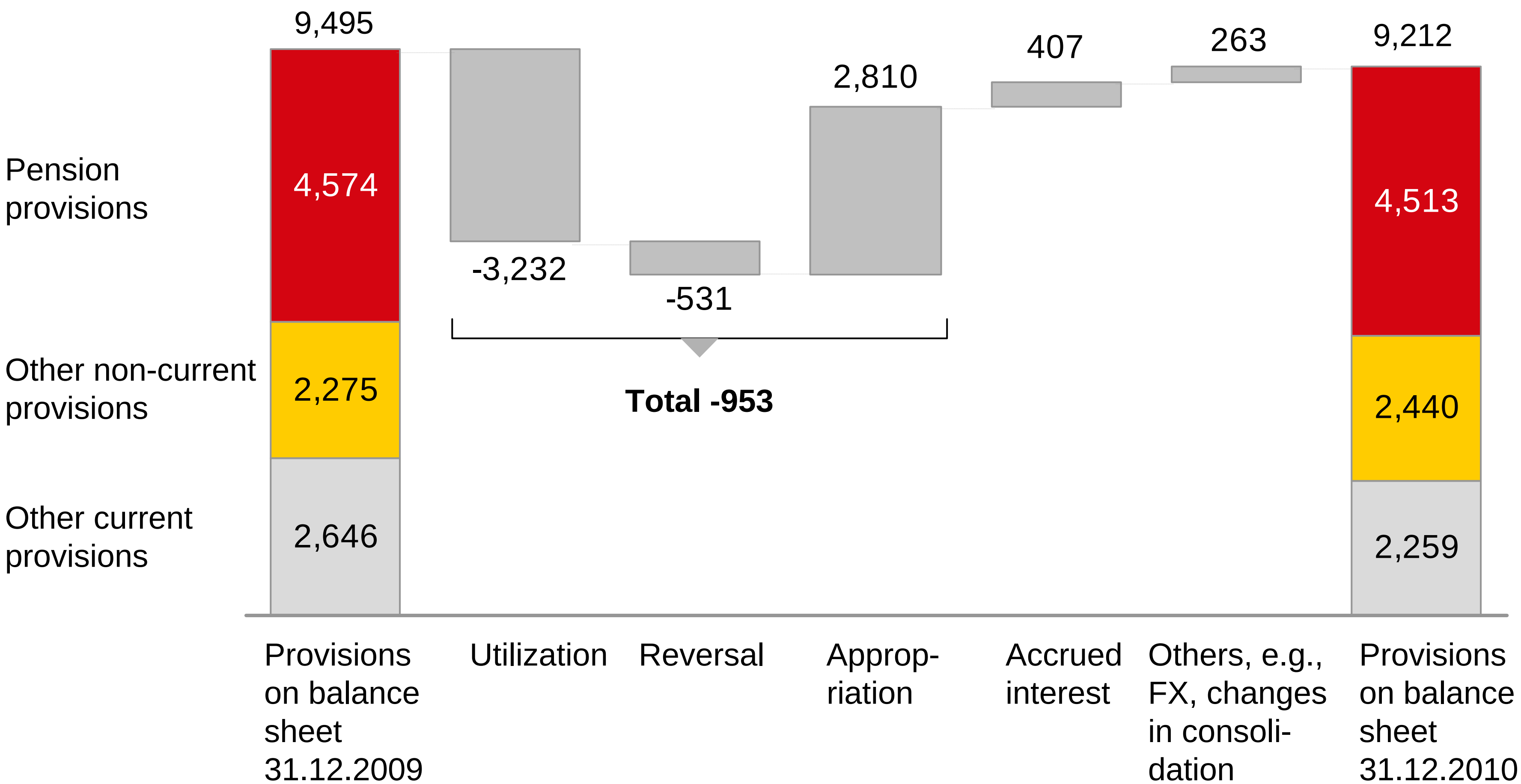
€ m



Provision movements – 2010

Provision analysis December YTD 2010

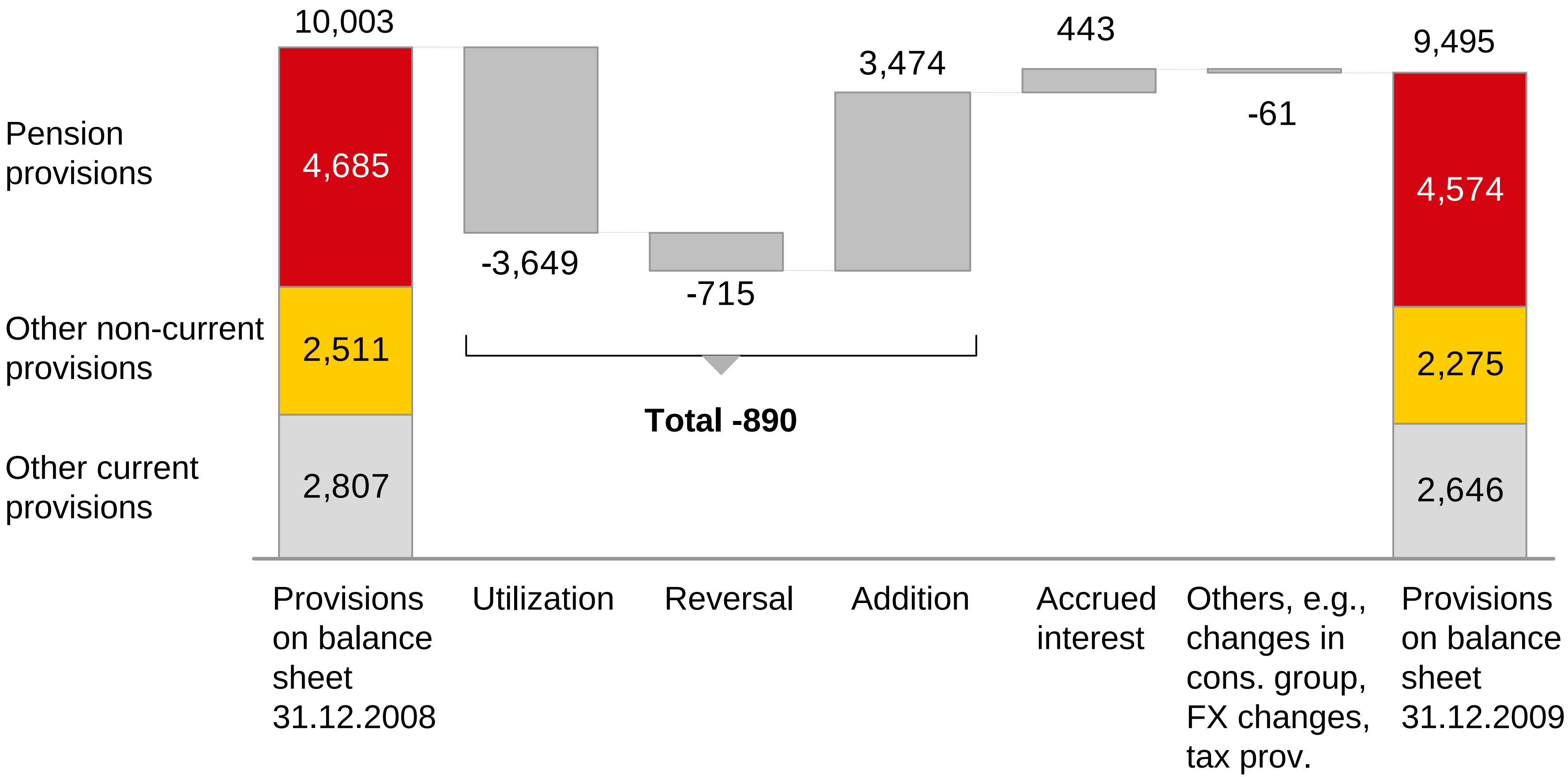
€ m



Provision movements – 2009

Provision analysis December YTD 2009

€ m



Deutsche Post DHL

Working Days[1] in Germany, 2009 - 2013

	2009	2010	2011	2012	2013
Q1	62.2	62.2	63.2	64.2	61.6
Q2	59.3	60.3	60.3	59.3	60.3
H1	121.5	122.5	123.5	123.5	121.9
Q3	66.0	66.0	65.8	64.8	65.8
9M	187.5	188.5	189.3	188.3	187.7
Q4	63.0	63.3	62.2	60.2	60.2
H2	129.0	129.3	128.0	125.0	126.0
FY	**250.5**	**251.8**	**251.5**	**248.5**	**247.9**

(1) Uneven working days are due to regional holidays

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