

DIVISIONS

OVERVIEW

Key figures by operating division

| | | H1 2009 adjusted | H1 2010 | +/- % | Q2 2009 adjusted | Q2 2010 | +/- % |
|---|-----|---------------------|---------|-------|---------------------|---------|-------|
| MAIL | | | | | | | |
| Revenue | € m | 6,695 | 6,652 | -0.6 | 3,209 | 3,206 | -0.1 |
| of which Mail Communication | € m | 2,872 | 2,816 | -1.9 | 1,364 | 1,347 | -1.2 |
| Dialogue Marketing | € m | 1,295 | 1,264 | -2.4 | 612 | 597 | -2.5 |
| Press Services | € m | 414 | 402 | -2.9 | 203 | 197 | -3.0 |
| Parcel Germany | € m | 1,211 | 1,269 | 4.8 | 588 | 619 | 5.3 |
| Retail Outlets | € m | 394 | 388 | -1.5 | 196 | 192 | -2.0 |
| Global Mail | € m | 840 | 837 | -0.4 | 407 | 414 | 1.7 |
| Pension Service | € m | 46 | 45 | -2.2 | 26 | 25 | -3.8 |
| Consolidation/Other | € m | -377 | -369 | 2.1 | -187 | -185 | 1.1 |
| Profit from operating activities (EBIT) before non-recurring items | € m | 578 | 633 | 9.5 | 171 | 243 | 42.1 |
| Profit from operating activities (EBIT) | € m | 557 | 629 | 12.9 | 150 | 241 | 60.7 |
| Return on sales ¹⁾ | % | 8.3 | 9.5 | - | 4.7 | 7.5 | - |
| Operating cash flow | € m | 142 | 259 | 82.4 | 238 | 272 | 14.3 |
| EXPRESS | | | | | | | |
| Revenue | € m | 4,810 | 5,488 | 14.1 | 2,407 | 2,868 | 19.2 |
| of which Europe | € m | 2,589 | 2,537 | -2.0 | 1,294 | 1,260 | -2.6 |
| Americas | € m | 707 | 893 | 26.3 | 347 | 484 | 39.5 |
| Asia Pacific | € m | 1,202 | 1,610 | 33.9 | 616 | 880 | 42.9 |
| EEMEA (Eastern Europe, the Middle East and Africa) | € m | 522 | 591 | 13.2 | 261 | 312 | 19.5 |
| Consolidation/Other | € m | -210 | -143 | 31.9 | -111 | -68 | 38.7 |
| Profit/loss from operating activities (EBIT) before non-recurring items | € m | -55 | 352 | >100 | 65 | 198 | >100 |
| Profit/loss from operating activities (EBIT) | € m | -443 | 80 | >100 | -51 | -30 | 41.2 |
| Return on sales ¹⁾ | % | -9.2 | 1.5 | - | -2.1 | -1.0 | - |
| Operating cash flow | € m | -560 | 336 | >100 | -173 | 255 | >100 |
| GLOBAL FORWARDING, FREIGHT | | | | | | | |
| Revenue | € m | 5,410 | 6,728 | 24.4 | 2,663 | 3,611 | 35.6 |
| of which Global Forwarding | € m | 3,784 | 4,992 | 31.9 | 1,861 | 2,716 | 45.9 |
| Freight | € m | 1,672 | 1,789 | 7.0 | 828 | 922 | 11.4 |
| Consolidation/Other | € m | -46 | -53 | -15.2 | -26 | -27 | -3.8 |
| Profit from operating activities (EBIT) before non-recurring items | € m | 129 | 156 | 20.9 | 79 | 102 | 29.1 |
| Profit from operating activities (EBIT) | € m | 113 | 152 | 34.5 | 68 | 99 | 45.6 |
| Return on sales ¹⁾ | % | 2.1 | 2.3 | - | 2.6 | 2.7 | - |
| Operating cash flow | € m | 405 | 5 | -98.8 | 151 | 15 | -90.1 |
| SUPPLY CHAIN | | | | | | | |
| Revenue | € m | 6,206 | 6,517 | 5.0 | 3,061 | 3,387 | 10.7 |
| of which Supply Chain | € m | 5,607 | 5,871 | 4.7 | 2,766 | 3,051 | 10.3 |
| Williams Lea | € m | 598 | 645 | 7.9 | 294 | 336 | 14.3 |
| Profit from operating activities (EBIT) before non-recurring items | € m | 58 | 136 | > 100 | 16 | 72 | > 100 |
| Profit from operating activities (EBIT) | € m | 50 | 112 | > 100 | 16 | 55 | > 100 |
| Return on sales ¹⁾ | % | 0.8 | 1.7 | - | 0.5 | 1.6 | - |
| Operating cash flow | € m | 60 | 21 | -65.0 | 26 | -29 | >-100 |

1) EBIT/revenue.

MAIL

Revenue slightly below prior-year level

Revenue in the first half of 2010, which had one additional working day, was €6,652 million and therefore slightly below the prior year's figure of €6,695 million. The sharp declines in revenue resulting from the economic crisis are behind us. Exchange rate gains amounted to €9 million.

Mail business revenue and volumes stable

Revenue in the Mail Communication business unit fell only slightly in the reporting period, from €2,872 million to €2,816 million. The increasing use of electronic means of communication is resulting in ongoing shrinkage of the market. Since the first quarter of 2010 the economy is no longer intensifying this trend. Indeed, sales volumes in the second quarter were at prior-year levels. We retained and regained quality-conscious customers; however, some of our customers turned to competitors as a consequence of a higher sensitivity to prices in light of the poor economic conditions.

Mail Communication: volumes

| mail items (millions) | H1 2009 | H1 2010 | +/- % | Q2 2009 | Q2 2010 | +/- % |
|---------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Business customer letters | 3,328 | 3,262 | -2.0 | 1,544 | 1,536 | -0.5 |
| Private customer letters | 606 | 594 | -2.0 | 290 | 283 | -2.4 |
| Total | 3,934 | 3,856 | -2.0 | 1,834 | 1,819 | -0.8 |

Customers still advertising less

In times of economic difficulty, customers change their advertising behaviour, a tendency that we continue to observe in the Dialogue Marketing business unit. Mail-order companies, in particular, are investing less in advertising. Overall volumes declined for both addressed and unaddressed advertising mail in the first half of 2010. Revenue fell from €1,295 million in 2009 to €1,264 million in 2010, a decrease of 2.4%.

Dialogue Marketing: volumes

| mail items (millions) | H1 2009 | H1 2010 | +/- % | Q2 2009 | Q2 2010 | +/- % |
|------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Addressed advertising mail | 3,034 | 2,964 | -2.3 | 1,469 | 1,444 | -1.7 |
| Unaddressed advertising mail | 2,239 | 2,086 | -6.8 | 1,038 | 969 | -6.6 |
| Total | 5,273 | 5,050 | -4.2 | 2,507 | 2,413 | -3.7 |

Newspaper and magazine market continues downward trend

Revenue in the Press Services business unit amounted to €402 million in the reporting period, 2.9% below the prior-year figure of €414 million. Falling circulations and the discontinuation of some publications could be observed in the declining newspaper and magazine market. By contrast, the average publication weights were stable.

Parcel business profits from e-commerce

Revenue in the Parcel Germany business unit in the first six months of 2010 exceeded the previous year's high figure of €1,211 million by 4.8%, reaching €1,269 million. Revenue growth was even more impressive in the second quarter, which saw mail-order companies profit from the economic upturn. In fact, we were able to more than compensate for the losses incurred as a result of the insolvency of Quelle GmbH, one of our customers. At the same time, mail-order business is growing alongside expanding e-commerce, a trend that was reflected in our higher business customer volumes.

Parcel Germany: volumes

| parcels (millions) | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| | H1 2009 | H1 2010 | +/- % | Q2 2009 | Q2 2010 | +/- % |
| Business customer parcels ¹⁾ | 310 | 318 | 2.6 | 151 | 157 | 4.0 |
| Private customer parcels | 52 | 52 | 0 | 25 | 24 | -4.0 |
| Total | 362 | 370 | 2.2 | 176 | 181 | 2.8 |

¹⁾ Including intra-Group sales.

Retail outlet revenue near prior-year level

Revenue generated by our some 17,000 outlets and sales points reached €388 million in the first half of 2010, which is near the prior year's figure of €394 million.

International mail business sees operating revenue growth

At €837 million, revenue in the Global Mail business unit was on par with the previous year (€840 million) in the reporting period and increased by 1.7% in the second quarter. The sale of DHL Global Mail Services SAS in France reduced revenue by €41 million. We saw encouraging revenue growth in our international operating mail business, especially in the US. In our traditional import and export business, however, we observed that customers are becoming more price sensitive due to the economic crisis.

Mail International: volumes

| mail items (millions) | | | | | | |
|-----------------------|---------|---------|-------|---------|---------|-------|
| | H1 2009 | H1 2010 | +/- % | Q2 2009 | Q2 2010 | +/- % |
| Global Mail | 3,373 | 3,206 | -5.0 | 1,758 | 1,629 | -7.3 |

Earnings up significantly year-on-year

The division's EBIT saw encouraging growth, climbing from €557 million to €629 million in the first half of 2010 and from €150 million to €241 million in the second quarter. Non-recurring expenses of €4 million were incurred for restructuring in the reporting period. Primarily through strict cost management, we were able to more than offset the loss in revenue from the sale of DHL Global Mail Services SAS in France as well as increases in wages and costs.

Operating cash flow in the first half of 2010 was €259 million (previous year: €142 million). Annual payments to *Bundes-Pensions-Service für Post und Telekommunikation* routinely affect this figure each year in the first quarter. Return on sales amounted to 9.5%.

EXPRESS

Revenue and shipment volumes up

In the first half of 2010, the division's revenue increased by 14.1% to €5,488 million (previous year: €4,810 million). The continuing recovery of the global economy contributed to the improvement. Revenue was also positively impacted by exchange rate gains totalling €231 million. The increase in revenue was 10.8% when measured in local currencies and adjusted for the acquisition of Shanghai Quanyi Express Co. Ltd. for our domestic Chinese business as well as the sale of our day-definite domestic business in the UK.

This organic growth can be attributed mainly to a sharp year-on-year rise of 5.7% in per-day shipment volumes in our Time Definite International (TDI) product line as well as higher fuel surcharge revenues. Weight per shipment in the TDI product line showed a significant increase of 13.9% on the prior year, a further indication of the sustained recovery of our international business activities.

The upward business trend of the first quarter continued steadily in the second quarter with daily shipment volumes rising by 5.5% in the TDI product line. The decline in the Day Definite Domestic product line was primarily attributable to the sale of our day-definite domestic business in the UK.

EXPRESS: revenue by product

€m per day

| | H1 2009 | H1 2010 | +/- % | Q2 2009 | Q2 2010 | +/- % |
|-----------------------------|---------|---------|-------|---------|---------|-------|
| Time Definite International | 22.1 | 24.7 | 11.8 | 22.4 | 25.6 | 14.3 |
| Time Definite Domestic | 4.2 | 4.5 | 7.1 | 4.2 | 4.6 | 9.5 |
| Day Definite Domestic | 6.3 | 5.3 | -15.9 | 6.3 | 4.9 | -22.2 |

EXPRESS: volumes by product

thousands of items per day

| | H1 2009 | H1 2010 | +/- % | Q2 2009 | Q2 2010 | +/- % |
|-----------------------------|---------|---------|-------|---------|---------|-------|
| Time Definite International | 460 | 486 | 5.7 | 470 | 496 | 5.5 |
| Time Definite Domestic | 564 | 635 | 12.6 | 569 | 641 | 12.7 |
| Day Definite Domestic | 769 | 565 | -26.5 | 770 | 472 | -38.7 |

International business in the Europe region recovers

Revenue in the Europe region dropped slightly by 2.0% to €2,537 million in the first half of 2010 (previous year: €2,589 million). This figure includes exchange rate gains of €44 million, which were recorded primarily in our central Europe, UK and Scandinavia business. Adjusted for these effects as well as the March 2010 sale of our day-definite domestic business in the UK, organic revenue remained at the previous year's level, thereby retaining our market position. Boosted by the global economic recovery, daily shipment volumes in our international TDI product line increased by 4.5% despite the highly competitive environment. This strong growth compared with the previous year has fortified our leading market position in this product line.

International business in the Americas region performs well

Since February 2009, we no longer offer a domestic express product in the United States and in the course of restructuring our US business we have massively reduced our cost structure there. Revenue in the Americas region – which comprises the US as well as the International Americas (Latin America, Canada and the Caribbean) – climbed by 26.3% to €893 million in the first half of 2010 (previous year: €707 million). This figure includes exchange rate gains of €39 million. Measured in local currencies, revenue was up 20.8% in the reporting period. Our international business in the US also contributed to this organic revenue growth and continued to perform very well.

Higher shipment volumes in the Asia Pacific region

Including exchange rate gains of €121 million and the acquisition in China, revenue in the Asia Pacific region grew by 33.9% to €1,610 million in the first six months of 2010 (previous year: €1,202 million). Adjusted for these effects, organic revenue registered extremely good results given the general economic climate in the region with a rise of 21.7% compared with the prior year. This performance was largely the result of an upward trend in volumes and higher fuel surcharge revenues. Encouragingly, daily shipment volumes in all product lines outperformed the prior year.

Volumes up in the EEMEA region

In the EEMEA region (Eastern Europe, the Middle East and Africa), revenue increased by 13.2% to €591 million in the first half of 2010 (previous year: €522 million). Daily shipment volumes have been on a consistent, positive trend compared with the prior-year period.

Significant improvement in EBIT before non-recurring items

The division's EBIT improved from €-443 million to €80 million in the first half of 2010. This figure rises to €352 million when adjusted for restructuring costs of €272 million – an impressive year-on-year increase of €407 million.

In the second quarter of 2010, EBIT rose from €-51 million in the prior-year period to €-30 million. Adjusted for restructuring costs, EBIT increased by €133 million to €198 million (previous year: €65 million), corresponding to a margin of 6.9%.

The restructuring of our express business is on track. Global revenue is recovering and additional cost savings are taking effect.

Operating cash flow, which includes cash outflows for restructuring, improved from €-560 million in the first half of 2009 to €336 million in the first half of 2010. Operating cash flow for the second quarter increased from €-173 million to €255 million year-on-year.

GLOBAL FORWARDING, FREIGHT

Lively global trade raises revenue and volumes in freight forwarding business

The GLOBAL FORWARDING, FREIGHT division increased revenue in the first half of 2010 by 24.4% to €6,728 million (previous year: €5,410 million). The total includes exchange rate gains of €288 million as a result of the weak euro. Revenue grew organically by 19.0% in the reporting period. Overall, global trade picked up considerably in the first half of 2010; our freight forwarding business also reflected this positive trend.

The Global Forwarding business unit generated €4,992 million in revenue in the first half of the year, up 31.9% on the prior-year figure of €3,784 million. The increase was 25.6% after adjustment for exchange rate gains of €240 million. Despite continued high freight rates and fuel prices, we were able to improve gross profit by 9.8% from €989 million to €1,086 million.

Air and ocean freight volumes continue to rise

Transport volumes increased clearly compared with the prior year. Demand for transport services has risen in both the air and ocean freight sectors. Limited freight capacities therefore increased the prices of transport services considerably. Since the first quarter, we have been increasingly able to pass on these higher prices to our customers. Freight rates have remained extraordinarily high, especially on trans-Pacific trade lanes. Our gross profit margin in the reporting period reflected this.

Air freight volumes in the first half of the year gained 31.2% on the previous year and are now only 3% below the levels in the first half of 2008, i.e., pre-crisis levels. Second quarter volumes were 5% above the first quarter. The air freight market also benefited, albeit more modestly, from low inventories in many industries since this boosted demand for fast-transit products. Industries that suffered the most during the crisis, such as the high-tech sector, are now growing the fastest again. Thus, volume and revenue increases largely originated in Asia. Air freight revenue in the first half of the year was up 42.9% on the prior year.

Our global air freight network responded rapidly and successfully to the air space closures throughout the EU due to the volcanic eruption in Iceland. We procured multi-mode transport solutions and additional charter capacities. Our customers were therefore able to minimise freight backlogs and in some cases avoid plant shutdowns.

Global Forwarding: revenue

| €m | H1 2009 adjusted | H1 2010 | +/- % | Q2 2009 adjusted | Q2 2010 | +/- % |
|---------------|---------------------|--------------|-------------|---------------------|--------------|-------------|
| Air freight | 1,775 | 2,536 | 42.9 | 874 | 1,367 | 56.4 |
| Ocean freight | 1,235 | 1,556 | 26.0 | 579 | 853 | 47.3 |
| Other | 774 | 900 | 16.3 | 408 | 496 | 21.6 |
| Total | 3,784 | 4,992 | 31.9 | 1,861 | 2,716 | 45.9 |

Global Forwarding: volumes

thousands

| | | H1 2009 | H1 2010 | +/- % | Q2 2009 | Q2 2010 | +/- % |
|------------------|-------------------|---------|---------|-------|---------|---------|-------|
| Air freight | tonnes | 1,623 | 2,130 | 31.2 | 850 | 1,093 | 28.6 |
| of which exports | tonnes | 943 | 1,184 | 25.6 | 495 | 603 | 21.8 |
| Ocean freight | TEU ¹⁾ | 1,220 | 1,374 | 12.6 | 645 | 712 | 10.4 |

1) Twenty-foot equivalent units.

Our ocean freight business outperformed the market, recording a 12.6% year-on-year increase in volume over the market's roughly 11% growth. Volumes were 3% above the first half of 2008 and 8% above the first quarter of 2010. Revenue in the reporting period grew by 26.0%. In the Middle East, Africa, North Asia and South America, our business trend was especially encouraging.

In our industrial project business, revenue and gross profit far exceeded the prior-year period.

European overland transport business exceeds prior-year revenue

The Freight business unit generated revenue of €1,789 million in the first half of 2010, exceeding the previous year's figure of €1,672 million by 7.0%. Revenue growth was seen mainly in Germany, Sweden and Eastern Europe. Even when adjusted for exchange rate gains of €49 million, revenue was up 4.1% organically on the prior year. At €489 million, gross profit slightly exceeded the previous year. On 1 January 2010, the EXPRESS division transferred responsibility for the domestic freight business in Sweden to the Freight business unit. The prior-year figures were adjusted accordingly.

Positive EBIT performance reinforced by encouraging new business

Due to our continued strict cost management as well as exchange rate gains, the division's EBIT was up again compared with the first half 2009 when the economy reached its low point. It improved in the first half of the year by 34.5% to €152 million (previous year: €113 million). Adjusted for €4 million in restructuring costs, EBIT before non-recurring items was €156 million with an EBIT margin of 2.3%. In the second quarter, EBIT was up by 45.6% from €68 million to €99 million. Adjusted for €3 million in restructuring costs, EBIT before non-recurring items was €102 million in the quarter and the EBIT margin was 2.8%.

We were able to continue reducing operating and indirect costs through cost-reduction programmes. As a result, productivity exceeded pre-crisis levels. We also generated significant new business that will contribute to present and future earnings by expanding sales and aligning it more towards sectors. Furthermore, we launched energy efficiency programmes in 20 countries as part of our GoGreen initiative.

As in the preceding quarter and at the end of 2009, the sharp volume increase, mostly seen in Global Forwarding, further increased net working capital. The resulting cash outflow and cash paid for restructuring took operating cash flow down to €5 million (previous year: €405 million).

SUPPLY CHAIN

Revenue growth accelerates in the second quarter

The SUPPLY CHAIN division increased revenue by 5.0% from €6,206 million in the previous year to €6,517 million in the first half of 2010. Growth was suppressed by two factors: a loss of trading volume with the Arcandor Group in Germany and the withdrawal from underperforming contracts in the reporting period. Adjusted for exchange rate gains of €269 million, organic revenue growth in the first half of 2010 was 0.7% year-on-year. Growth accelerated in the second quarter: revenue grew by 10.7% from €3,061 million in the previous year to €3,387 million. In terms of organic growth, second quarter revenue was up by 3.8% compared with the prior year.

The Supply Chain business unit generated revenue of €5,871 million in the first half of the year (previous year: €5,607 million), a rise of 4.7% year-on-year. In the Americas region, which saw continued economic recovery and a strengthening of the US dollar, revenue in the majority of sectors increased. The economy in the Asia Pacific region experienced a strong economic upswing. We demonstrated substantial growth arising from new business wins and trading upturns, notably in Australia, China and Thailand. In Europe, the economic recovery was weaker. However, the Healthcare sector in the UK accounted for a significant revenue increase. Revenue in Germany declined, mainly due to Arcandor.

Williams Lea's revenue for the first half of 2010 grew 7.9% on the prior-year period from €598 million to €645 million, primarily reflecting increases in the Marketing Solutions and Legal Services sectors in the Americas region. This growth was dampened by a decrease in volume amongst some key European contracts.

New business wins worth €500 million

In the first half of 2010, the Supply Chain business unit concluded additional contracts worth approximately €500 million in annualised revenue with both new and existing customers. The contract renewal rate for the six-month period remained stable year-on-year. In the first quarter, Williams Lea won a significant new contract with Wal-Mart (USA).

Substantial increase in EBIT before non-recurring items

EBIT for the SUPPLY CHAIN division was up by 124.0% on the prior year to €112 million in the first half of 2010 (previous year: €50 million). Adjusted for restructuring costs of €24 million (previous year: €8 million), EBIT before non-recurring items amounted to €136 million, an increase on the prior year (€58 million) of €78 million or 134.5% on the same basis. Our prior-year earnings were impacted by expenses of €25 million due to the Arcandor insolvency. The EBIT margin before non-recurring items rose from 0.9% to 2.1% in the first half of 2010.

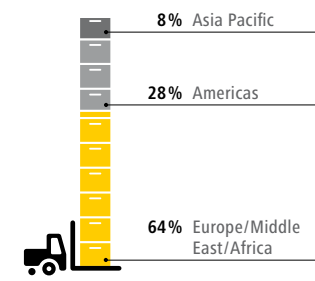
Second quarter EBIT was €55 million compared with €16 million in the previous year. After adjustment for restructuring costs of €17 million, EBIT before non-recurring items amounted to €72 million in the second quarter with a margin of 2.1%.

The improvement in EBIT before non-recurring items reflected the increase in existing business activity and additional margins from new business wins, underpinned by cost reductions and exchange rate gains.

Operating cash flow was €21 million in the first half of 2010 compared with €60 million in the prior-year period. In the reporting period, it was impacted by the restructuring measures introduced. Even as revenue started to rise, we continued to reduce our working capital.

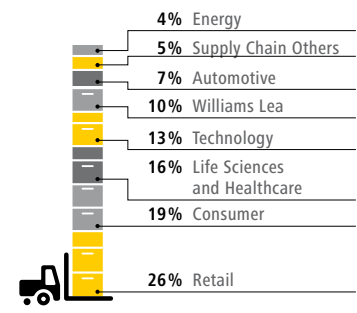
SUPPLY CHAIN, H1 2010:
revenue by region

Total revenue: €6,517 million



SUPPLY CHAIN, H1 2010:
revenue by sector

Total revenue: €6,517 million



NON-FINANCIAL PERFORMANCE INDICATORS

EMPLOYEES

Further decrease in number of employees

The average number of employees (full-time equivalents) decreased to 420,856 in the first six months of 2010, a 3.6% decline compared with the previous year's average. The sale of DHL Express UK's day-definite domestic business and restructuring in 2009 were the primary reasons for the decline.

RESEARCH AND DEVELOPMENT

No research and development in the narrower sense

As a service provider Deutsche Post DHL does not undertake any research and development activities in the narrower sense and thus does not report significant expenses in this area.

RISKS

Identifying and managing opportunities and risks early on

One of our most important objectives is to ensure the company's sustained success. To this end, opportunities and risks need to be identified and managed at an early stage. We assist the Group's management in this effort with our Group-wide opportunity and risk control system. The information provided by the system is reported to management on a regular basis and thereby flows into the company's control processes. We have described our opportunity and risk management processes and the significant risks affecting our earnings, financial position, as well as assets and liabilities in the 2009 Annual Report beginning on page 83.

Overall assessment of the Group's risk position

In the first half of 2010, no further significant risks, or significant changes to these risks, emerged, beyond those presented below, in the 2009 Annual Report and in the first interim report of this year. At present, no risks are identifiable that, individually or collectively, cast doubt upon the Group's ability to continue as a going concern.