Deutsche Post Finance B.V.

Financial Statements

30 June, 2010

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1. Management Report

1.1 Introduction

This report includes the Financial Statements of Deutsche Post Finance B.V. ("The Company") as at 30 June, 2010.

1.2 Business activities

The principal activity of the Company consists of raising capital in order to lend funds to Deutsche Post DHL Group companies.

1.3 Legal relationships

General information

The Company was incorporated in the Netherlands, Rotterdam on 13 April, 1999 and is now listed in the Commercial Register of the Chamber of Commerce in Amersfoort under number 24.29.26.43. The Company is owned 100% by Deutsche Post International B.V. in Amersfoort, the Netherlands. Ultimate shareholder is Deutsche Post AG in Bonn, Germany.

Management Board

The Management Board currently consists of two members:

- Mr. Roland Buss
- Mr. Timo van Druten.

1.4 Main business developments

In 2010 the Company did not perform any activities on the capital markets. The balance sheet total of the Company nearly stayed unchanged.

The Company's result per June 30th, 2010 was affected by the worldwide decrease in interest rates. After taxation it amounts to a loss of EUR 996.221. Excluding the net expense from hedge ineffectiveness, totaling EUR 1.317.657, the 2010 minimum margin result, amounts to a profit of EUR 321.436. This profit is in line with the Company's tax ruling.

The ineffectiveness recognized in the profit & loss accounts results from strict hedge accounting requirements. As a consequence, a hedge instrument with a starting value that has been brought under hedge accounting will automatically result in some ineffectiveness. Based on market developments this can either be an income or expense.

The main risks affecting the Company are interest and currency risks. Interest risks as well as currency risks are hedged according to Deutsche Post DHL (the Group) guidelines by the Group's Central Treasury. The variety of instruments used for hedging purposes and the policies are described in the notes to the Financial Statements.

1.5 Future business developments

Depending on the finance strategy of Deutsche Post DHL and the market developments in general, Deutsche Post Finance B.V. might be involved in future capital market transactions of the Group. The Company will continue to act as a group finance company and proceeds of potential future debt issues will be lent within the Group according to the ruling with the Dutch Tax Authorities.

Amersfoort, 30 August, 2010

The Management Board:

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Roland Buss Timo van Druten

2. Financial Statements

2.1 Balance sheet as at 30 June, 2010 (after appropriation of result)

Amounts in EUR	Note	30 June, 2010		30 June, 2009	
Non-current assets					
Long-term loans receivable		1.582.963.326		1.482.931.869	
Non-current derivatives positive FV	(4)	168.445.099		146.082.532	
			1.751.408.425		1.629.014.401
Current assets					
Short-term loans receivable		22.500.000		101.000.000	
Short-term receivables from affiliated companies		25.991.398		29.626.098	
Current derivatives positive FV		0		0	
Other receivables		1.188		13.592	
			48.492.586		130.639.690
			1.799.901.011		1.759.654.091
Shareholders' equity	(5)				
Share capital		18.500		18.500	
Capital reserve		2.000.000		2.000.000	
Hedge reserve		(2.550.043)		(784.818)	
Retained earnings		9.100.382		8.350.341	
			8.568.839		9.584.023
Long-term liabilities					
Bonds-long term	(6)	1.719.556.271		1.699.560.983	
Long-term loans payable		4.856.500		4.856.500	
Non-current derivatives negative FV	(4)	21.663.113		0	
			1.746.075.884		1.704.417.483
Short-term liabilities					
Accrued interest		44.325.113		44.325.113	
Other current liabilities and accruals		931.175		1.285.470	
Current derivatives negative FV		0		0	
Short-term payables		0		42.002	
			45.256.288		45.652.585
			1.799.901.011		1.759.654.091

The notes are an integral part of the Company's Financial Statements.

2.2 Profit and loss statement from 1 January - 30 June, 2010

Amounts in EUR	Note	1 January - 30 June, 2010		1 January - 30 June, 2009	
Interest income	(7)	12.482.635		25.768.794	
Interest costs	(8)	(12.066.490)		(25.287.196)	
Other gains and losses		(1.317.657)		748.764	
Other operating expenses		(94.709)		(61.080)	
			(996.221)		1.169.282
Profit before Taxes			(996.221)		1.169.282
Income tax expense		0		0	
			0		0
Profit for the Year			(996.221)		1.169.282

The notes are an integral part of the Company's Financial Statements.

2.3 Statement of changes in shareholders' equity

Movements in shareholders' equity during the financial year were as follows:

Amounts in EUR	**Total**	**Share capital**	**Capital reserve**	**Cash flow hedge reserve**	**Retained earnings**
At 1 January 2009	(475.897)	18.500	2.000.000	(9.675.456)	7.181.059
Movements 2009					
Valuation Financial Instruments	8.890.638	0	0	8.890.638	0
Net result 2009	1.169.282	0	0	0	1.169.282
Balance at 30 June, 2009	9.584.023	18.500	2.000.000	(784.818)	8.350.341
At 1 January, 2010	11.835.532	18.500	2.000.000	(279.571)	10.096.603
Movements 2010 Valuation Financial Instruments	(2.270.472)	0	0	(2.270.472)	0
Net result 2010	(996.221)	0	0	0	(996.221)
Balance at 30 June, 2010	8.568.839	18.500	2.000.000	(2.550.043)	9.100.382

The notes are an integral part of the Company's Financial Statements.

2.4 Cash flow statement as at 30 June, 2010

Amounts in EUR	30 June, 2010	30 June, 2009
Change IHB account	499.924	211.252
Cash inflow	**163.508.224**	**92.953.492**
Repayment of loans	101.000.000	0
Interest inflow	62.508.224	92.953.492
Cash outflow	**(163.508.224)**	**(92.953.492)**
Allocation of new loans	(101.000.000)	0
Interest outflow	(61.918.421)	(92.542.698)
Other outflows (operating expenses)	(89.879)	(199.542)
Increase IHB receivable	(499.924)	(211.252)
Balance of cash inflow and cash outflow	**0**	**0**

For transparency reasons, the Company's management decided to switch from the indirect method of presenting its cash flow statement to the direct method.

Figures in the cash flow statement are shown on a gross basis whilst figures in the profit and loss statement – due to hedge accounting – are shown on a net basis.

The notes are an integral part of the Company's Financial Statements.

2.5 Notes to the Financial Statements

(1) General overview

Deutsche Post Finance B.V. (hereafter "The Company"), having its statutory seat in Amsterdam, but physically addressed in Terminalweg 36, 3821 AJ Amersfoort, was incorporated in the Netherlands, Rotterdam on 13 April, 1999 and is now listed in the Commercial Register of the Chamber of Commerce in Amersfoort under number 24.29.26.43. The Company is owned 100% by Deutsche Post International B.V. in Amersfoort, the Netherlands. The ultimate shareholder is Deutsche Post AG in Bonn, Germany.

The principal activity of the Company consists of raising capital in order to lend funds to Deutsche Post Group companies.

The Financial Statements are presented in Euro, because this is the currency of the primary economic environment in which the Company operates.

The Company has no subsidiaries, joint ventures or associates. The Company itself is a part of Deutsche Post DHL Group and the financial results of the Company are incorporated into the IFRS Consolidated Financial Statements of Deutsche Post DHL Group.

The date of approval of these Financial Statements by the Management Board is 30 August, 2010.

(2) Basis of accounting

The interim Financial Statements as of 30 June, 2010, have been prepared in accordance with International Financial Reporting Standards (IFRS) and related issued by the International Accounting Standards Board (IASB) for interim financial reporting, as adopted by the European Union. This interim Financial Statements thus include all information and disclosures required by IFRS to be presented in condensed interim Financial Statements.

(3) Financial risk management

Financial instruments are contractual obligations that give rise to a financial asset of one entity and a financial liability or equity instrument in another entity. In accordance with IAS 32 and IAS 39, these include both primary and derivative financial instruments. Primary financial instruments include in particular bank balances, all receivables, financial liabilities, securities, loans and accrued interest. Examples of derivatives include options, swaps and futures.
The principal activity of Deutsche Post Finance B.V. consists of raising capital in order to lend funds to Deutsche Post DHL Group companies. These activities result in financial risks that may arise from changes in exchange rates and interest rates. Both risks are hedged according to Deutsche Post DHL Group's guidelines by the Group's Central Treasury.

Internal guidelines govern the universe of actions, responsibilities and controls necessary for using derivatives. Suitable risk management software is used to record, assess and process hedging transactions. It is also used to regularly assess the effectiveness of the hedging relationships. Deutsche Post DHL Group only enters into hedging transactions with prime-rated banks. Each bank is assigned a counterparty limit, the use of which is regularly monitored.

The Group's Board of Management receives regular internal information on the existing financial risk and the hedging instruments deployed to limit them. The financial instruments used are accounted for in accordance with IAS 39.

The fair values of the derivatives used may be subject to substantial fluctuations depending on future changes in exchange rates and interest rates. These fluctuations in fair value are not to be viewed in isolation from the underlying transactions to be hedged. Derivatives and hedged transactions form a unity with regard to their offsetting value development.

Interest rate risk and interest rate management
Interest rate risk arises from changes in market interest rates for financial assets and financial liabilities. To quantify the risk profile, according to the Deutsche Post DHL Group guidelines, all interest-bearing receivables and liabilities are recorded, interest rate analyses are regularly prepared, and the potential effects on the net interest income are examined. Deutsche Post DHL Group uses interest rate derivatives, such as interest rate swaps and options, to reduce financing costs and optimally manage and limit interest rate risks by adjusting the ratio of fixed to variable interest agreements.

Foreign exchange risk
Currency risks for the Company arise almost exclusively from its lending activities in foreign currencies to the Deutsche Post DHL Group companies. According to the Deutsche Post DHL Group risk management guidelines the recorded currency risks and risks arising from financial transactions are usually hedged in full. These risks are hedged centrally with banks by Deutsche Post DHL Group Treasury using financial derivatives, such as currency forwards, swaps and cross currency swaps. The external hedges are forwarded to the Company via internal contracts.
Neither the Deutsche Post DHL Group nor the Company use derivative instruments for speculative purposes.

Liquidity risk
Deutsche Post DHL Group ensures a sufficient supply of cash for Group companies at all times via a largely centralized liquidity management system. Deutsche Post Finance B.V. is one of the most important financing entities within the Group. Therefore the Company issued bonds which are fully guaranteed by Deutsche Post AG in 2002 and 2003. One bond was fully repaid in 2007.

(4) Derivative financial instruments and hedging

Derivative financial instruments
The following table provides an overview of the derivatives applied by the Company:

Fair values:	**30-06-2009**	
	Pos. FV	**Neg. FV**
	EUR	EUR
Interest rate swaps	137.964.882	0
Cross-currency swaps	8.117.650	0
Total FV of all derivative financial instruments	146.082.532	0

Fair values:	30-06-2010	
	Pos. FV	**Neg. FV**
	EUR	EUR
Interest rate swaps	168.445.099	0
Cross-currency swaps	0	(21.663.113)
Total FV of all derivative financial instruments	168.445.099	(21.663.113)

Fair value hedges
Interest rate swaps were entered into to hedge the fair value risk of fixed interest Euro denominated liabilities (bonds). Only 89.87% of the notional of the fixed to floating interest rate swaps is accounted for as a fair value hedge. The positive fair values of all fixed to floating interest rate swaps amounts to EUR 168.445.099 [30 June, 2009: EUR 137.964.882].

Cash flow hedges
Fixed interest foreign currency investments were transformed into fixed interest Euro investments using synthetically cross currency swaps. For hedge accounting purposes the cross currency swaps have been brought in connection with 10.13% of the notional of the fixed to floating interest rate swaps. The cross currency swaps hedge the currency risk, and their negative fair values as at 30 June, 2010 amounted to EUR 21.663.113 [30 June, 2009: positive FV of EUR 8.117.650]. The investments relate to internal group loans which mature in 2014.

(5) Shareholders' equity

Share capital
The authorized share capital of the Company as at 30 June, 2010 amounts to EUR 90.000 and consists of 180 ordinary shares each of EUR 500. The issued share capital amounts to EUR 18.500 and consists of 37 ordinary shares with a nominal value of EUR 500 each, which are fully paid.

Capital reserve
On 23 May, 2002 the shareholder paid a capital contribution amounting to EUR 2.925.697. On the same date the shareholder approved offsetting the negative retained earnings as at 31 December, 2001, amounting to EUR 925.697, against the capital reserve.

Hedge reserve
Net gains or losses from changes in the fair value of the effective portion of a cash flow hedge are taken directly to the hedge reserve. The hedge reserve is released to income when the hedged item is settled. The ineffective portion of the cash flow hedges is excluded from the hedge reserve and recognized in profit and loss for the year.

(6) Bonds – long term

On 4 October, 2002 the Company issued EUR 750.000.000, 5,125% bonds of 2002/2012 with an issue price of 99,526%. On 30 October, 2003, the Company issued EUR 1.000.000.000, 4,875% bonds of 2003/2014 with an issue price of 99,99%. The Company has received an upfront payment as compensation for the paid bond discount from Deutsche Post AG. This compensation has been accounted for as deferred income.

The bonds issued by the Company are fully guaranteed by Deutsche Post AG.

Bank fees and road show costs occurred have been included and will be depreciated via the effective interest method.

During August and September 2004 Deutsche Post AG, the ultimate shareholder of the Company, purchased bonds of the Company in the open market. With value date 29 September, 2004 these bonds were sold by Deutsche Post AG to the Company, who in turn with the same value date surrendered them to Clearstream Banking AG, Frankfurt am Main for cancellation.

	30-06-2010	**30-06-2009**
	EUR	EUR
Bonds 2002/2012, fixed interest rate 5,125%, nominal value	679.200.000	679.200.000
Bonds 2003/2014, fixed interest rate 4,875%, nominal value	925.800.000	925.800.000
	1.605.000.000	1.605.000.000

	30-06-2010	**30-06-2009**
	EUR	EUR
The maturity of the bonds as reported were:		
1 – 5 years, nominal value	1.605.000.000	679.200.000
> 5 years, nominal value	0	925.800.000
	1.605.000.000	1.605.000.000

The Fair Values of the bonds were as follows:

Bonds	30-06-2010	30-06-2009
	EUR	EUR
Bond 2012	727.287.360	717.203.957
Bond 2014	999.586.260	959.559.297
	1.726.873.620	1.676.763.254

The carrying amounts of the amortized costs of the bonds (before the basis adjustments relating to hedging) were as follows:

Bonds	30-06-2010	30-06-2009
	EUR	EUR
Bond 2012	677.707.750	677.097.064
Bond 2014	924.516.933	924.196.134
	1.602.224.683	1.601.293.198

The carrying amounts of the bonds (after the basis adjustments relating to hedging) were as follows:

Bonds	30-06-2010	30-06-2009
	EUR	EUR
Bond 2012	724.570.053	722.725.952
Bond 2014	994.986.218	976.835.031
	1.719.556.271	1.699.560.983

The effective interest rates were as follows:

Bonds	30-06-2010	30-06-2009
Bond 2012	5,23%	5,23 %
Bond 2014	4,92%	4,92 %

(7) *Interest income*

The interest income arises from settled and unsettled balances with related parties, which the Company shows as receivables. The interest income from affiliated companies can be specified as follows:

	30 June, 2010	30 June, 2009
	EUR	EUR
Deutsche Post AG	(2.796.992)	(1.277.038)
Other Deutsche Post DHL Group related parties	15.279.627	27.045.832
	12.482.635	25.768.794

(8) *Interest costs*

Interest costs due on bonds can be specified as follows:

	30 June, 2010	30 June, 2009
	EUR	EUR
Interest expenses on Bonds 2002/2012	(4.329.023)	(9.774.763)
Interest expenses on Bonds 2003/2014	(6.925.023)	(14.717.263)
Depreciation of the bond discount and issue costs and release of upfront compensation payment (deferred income)	(290.189)	(275.937)
Guarantee provision	(397.952)	(395.653)
Interest expense from affiliated companies (Deutsche Post AG loans)	(124.303)	(123.580)
	(12.066.490)	(25.287.196)

(9) *Income tax expense*

The Company is part of the fiscal unity formed with Deutsche Post International B.V. and its affiliated companies in the Netherlands. Corporate income tax of the Company has been included and recognized in the accounts of Deutsche Post International B.V. as head of the fiscal unity.

On 1 January, 2004 the tax ruling (the so-called Advance Pricing Arrangement) came into force. This tax ruling confirms that the taxable minimum profit margin ("gross profit") of the financing activities of the Company is at least 15,2 basis points of borrowed money (excluding any hedging expenses relating to currency and interest swap agreements and withholding taxes on interest payments).

The Company will continue to act as a Group finance company. Proceeds of debt issues will be lent within the Group according to the ruling with the Dutch Tax Authorities.

(10) Cash flows

The principal activity of the Company consists of raising capital in order to lend funds to Deutsche Post DHL Group companies. Therefore all activities, relating to interest received and paid are classified as operating activities. All transactions and balances of the Company within the in-house bank of the Deutsche Post DHL Group are classified as changes in working capital, namely changes in receivables and payables.

The Company has not received or paid any dividends during 2009 or 2010.

(11) Related party transactions

Management Board

The Management Board of the Company currently consists of two members:

- Mr. Roland Buss
- Mr. Timo van Druten.

The Company has no employees. Employees of DHL International B.V., located in Maastricht, the Netherlands, performed the operational and administrative activities. The members of the Management Board did not receive any remuneration from the Company.

The principal activity of the Company consists of raising capital in order to lend funds to Deutsche Post DHL Group companies.

The amounts of the transactions and the outstanding balances with related parties are shown in the respective notes.

(12) Commitments

Corporate income tax
The Company is part of the fiscal unity headed by Deutsche Post International B.V. As a consequence the Company is liable for all corporate income tax liabilities of the fiscal unity.

3. Post balance sheet events

No post balance sheet events have occurred.

4. Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report of the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Signatures:

Amersfoort, 30 August, 2010

The Management Board:

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Roland Buss	Timo van Druten