

Deutsche Post Finance B.V.

Interim Report

30 June, 2014

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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, 2014.

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 for Limburg under number 24.29.26.43. The Company is owned 100% by Deutsche Post International B.V. in Maastricht, 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.

Business address

Pierre de Coubertinweg 7N, 6225 XT Maastricht

1.4 Main business developments

On 30 January 2014 the Company paid back its 4,875% bonds of 2003/2014. The principal paid back amounted to EUR 925.800.000. As a consequence of this bond repayment the balance sheet total of the Company was reduced by nearly one billion EUR.

In the first half year of 2014 the Company did not perform any activities on the capital markets.

The Company's result after taxation per 30 June 2014 amounts to a gain of EUR 461.056. Excluding the income from hedge ineffectiveness, totaling EUR 1.198, the 2014 minimum margin result amounts to a profit of EUR 459.858.

This profit meets the management's expectations and is in line with the Company's calculated minimum profit margin.

The decrease in the minimum margin income from the first half year 2013 [EUR 647.731 per 30 June 2013] to the first half year 2014 results from the reduced lending activities linked to the repayment of the 2003/2014 bonds.

The ineffectiveness recognized in the statement of comprehensive income results from strict hedge accounting requirements. As a consequence, a hedge instrument with a starting value that has been brought under hedge accounting results 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.

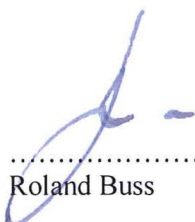
1.5 Future business developments

The liquidity situation of the DP DHL Group remains solid. The management of the Company is not aware of any plans to raise funds from the capital markets in 2014.

The Company will persist as a Group finance company and any possible future proceeds of debt issues will be lent within the Group.

Maastricht, 28 August, 2014

The Management Board:



.....
Roland Buss



.....
Timo van Druten

2. Financial Statements

2.1 Balance sheet

<u>Amounts in EUR</u>	<u>Note</u>	<u>30 June, 2014</u>	<u>31 December, 2013</u>
Non-current assets			
Long-term loans receivable		1.191.517.651	1.185.326.459
Non-current derivatives positive FV	(4)	<u>92.035.667</u>	<u>68.244.190</u>
		1.283.553.318	1.253.570.649
Current assets			
Short-term loans receivable		0	908.423.090
Short-term receivables from affiliated companies		215.369	14.749.835
Cash Pool receivables		8.116.643	9.338.240
Current derivatives positive FV	(4)	0	55.355.050
Other receivables		<u>26.698</u>	<u>38.684</u>
		8.358.710	987.904.899
		<u>1.291.912.028</u>	<u>2.241.475.548</u>
Shareholders' equity	(5)		
Share capital		18.500	18.500
Capital reserve		2.000.000	2.000.000
Hedge reserve		11.366.127	3.452.183
Retained earnings		<u>14.585.974</u>	<u>14.124.918</u>
		27.970.601	19.595.601
Long-term liabilities			
Bonds long-term	(6)	1.263.690.366	1.232.645.372
Non-current derivatives negative FV	(4)	<u>0</u>	<u>1.386.542</u>
		1.263.690.366	1.234.031.914
Short-term liabilities			
Bonds short-term	(6)	0	928.331.872
Accrued interest		236.815	56.187.127
Other current liabilities and accruals		14.246	16.034
Short-term payables		<u>0</u>	<u>3.313.000</u>
		251.061	987.848.033
		<u>1.291.912.028</u>	<u>2.241.475.548</u>

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

2.2 Statement of comprehensive income

Amounts in EUR	Note	1 January - 30 June, 2014	1 January - 30 June, 2013
Interest income	(7)	13.732.882	19.001.275
Interest expenses	(8)	(13.190.035)	(18.241.214)
Other gains and losses		1.198	507.633
Other operating expenses		(82.989)	(112.330)
		<hr/> 461.056	<hr/> 1.155.364
Profit/(Loss) before Taxes		461.056	1.155.364
Income tax expense		0	0
		<hr/> 0	<hr/> 0
Profit/(Loss) for the Year		461.056	1.155.364
Changes in hedge reserve		7.913.944	(176.248)
		<hr/> 8.375.000	<hr/> 979.116
Comprehensive Income			

The profit for the year is attributable to the parent.

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 2013	20.611.930	18.500	2.000.000	6.475.846	12.117.584
<i>Movements 2013</i>					
Valuation Financial Instruments	(176.248)	0	0	(176,248)	0
Net result 2013	1.155.364	0	0	0	1.155.364
Balance at 30 June, 2013	21.591.046	18.500	2.000.000	6.299.598	13.272.948
At 1 January, 2014	19.595.601	18.500	2.000.000	3.452.183	14.124.918
<i>Movements 2014</i>					
Valuation Financial Instruments	7.913.944	0	0	7.913.944	0
Net result 2014	461.056	0	0	0	461.056
Balance at 30 June, 2014	27.970.601	18.500	2.000.000	11.366.127	14.585.974

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

2.4 Cash flow statement

Amounts in EUR	30 June, 2014	30 June, 2013
Cash inflow		
Repayment of loans	964.434.381	24.000.000
Interest inflow	108.374.496	106.473.046
Cash pooling / IHB decrease	1.221.597	2.253.422
Net inflow from maturing FX derivatives	17.376.909	0
Total Cash inflow	1.091.407.383	132.726.468
Cash outflow		
Redemption of maturing bonds	(925.800.000)	0
New allocation of loans	(59.324.290)	(24.000.000)
Interest outflow	(106.204.326)	(108.683.230)
Other outflows (SLA etc.)	(78.767)	(43.238)
Cash pooling / IHB increase	0	0
Total Cash outflow	(1.091.407.383)	(132.726.468)
Net cash flow	0	0

Gross cash flows include cash movements from and towards the cash pool balance. The cash pool balance is related to the cash pool agreement between Deutsche Post Finance B.V. and Deutsche Post AG.

Cash pool balance	2014	2013
Opening balance at 1 January	9.338.240	10.343.743
Net cash flow	(1.221.597)	(2.253.422)
Closing balance at 30 June	8.116.643	8.090.321

All cash flows are considered to be operating cash flows.

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 Maastricht, was incorporated in the Netherlands, Rotterdam on 13 April, 1999 and is now listed in the Commercial Register of the Chamber of Commerce for Limburg under the number 24.29.26.43. The Company is owned 100% by Deutsche Post International B.V. in Maastricht, 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 DHL Group companies.

Items included in the Financial Statements are measured using the currency of the primary environment in which Deutsche Post Finance B.V. operates (“the functional currency”). The Financial Statements are presented in Euro, which is the Company’s presentation currency and functional currency.

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 28 August, 2014.

(2) Basis of accounting

The interim Financial Statements as of 30 June, 2014, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and related interpretations issued by the International Accounting Standards Board (IASB) for interim financial reporting, as adopted by the European Union. These interim Financial Statements thus include all information and disclosures required by IFRS to be presented in condensed interim Financial Statements. The accounting policies applied to the condensed interim financial statements are generally based on the same accounting policies used in the financial statements for the financial year 2013. For further information on the accounting policies applied, please refer to the financial statements for the year ended 31 December 2013, on which these interim financial statements are based.

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

IFRS 10 (Consolidated Financial Statements) including transitional provisions

This new standard is not relevant for the Deutsche Post Finance B.V. Financial Statements.

IFRS 11 (Joint Arrangements) including transitional provisions

IFRS 11 supersedes IAS 31 (Interests in Joint Ventures) and is not relevant for the Deutsche Post Finance B.V. Financial Statements.

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

IFRS 12 combines the disclosure requirements for all interests in subsidiaries, joint ventures, associates and unconsolidated structured entities and is not relevant for the Deutsche Post Finance B.V. Financial Statements.

IAS 27 (Separate Financial Statements) (revised 2011)

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

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

The existing standard IAS 28 (Investment in Associates) was revised by IFRS 10, IFRS 11, IFRS 12 and renamed IAS 28.

The standard is not relevant for the Deutsche Post Finance B.V. Financial Statements.

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

These amendments have provided clarification on the conditions for offsetting financial assets and liabilities in the balance sheet. They have no significant effect on the presentation of the financial statements of Deutsche Post Finance B.V..

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

These amendments clarify that disclosures regarding the recoverable amount of non-financial assets are only required if an impairment loss has been recognized or reversed in the current reporting period. In addition, the disclosure required when the recoverable amount is determined based on fair value less costs of disposal have been amended. The standard does not affect the Deutsche Post Finance B.V. Financial Statements.

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

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

Detailed explanations on the newly applicable accounting standards can be found in the Deutsche Post Finance B.V. Financial Statements per 31 December 2013.

(3) *Financial risk management*

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 fair values of the derivatives used may be subject to substantial fluctuations depending on changes in exchange rates and interest rates. These fluctuations in fair value are not to be viewed in isolation from the underlying transactions that are 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.

As at 30 June 2014 fixed rate bonds with a total notional volume of EUR 1.250 million were outstanding, maturing in 2017 and 2022. The bonds are used to finance a fixed rate USD 943 million loan to a DP DHL Group company in the US and to grant floating interest rate EUR loans to other DP DHL Group companies. The related interest rate and or foreign currency risks have been fully hedged using cross currency and interest rate swaps.

The proceeds of the EUR 750 million bonds maturing in 2017 have been used to grant a fixed rate USD 943 million loan to a DP DHL Group company in the US. The respective foreign currency and interest rate risk was hedged using a fixed to fixed cross currency interest rate swap. Cashflow hedge accounting is applied for this instrument.

The EUR 500 million bonds maturing in 2022 have been transformed into a floating rate liability with a fixed to float receiver interest rate swap. For this interest rate swap fair value hedge accounting is applied. The EUR 500 million have been used to finance floating rate EUR loans to DP DHL Group companies maturing in 2022.

In 2004 Deutsche Post Finance B.V. granted a long term fixed interest USD loan with a notional volume of USD 200 million. In order to hedge the associated foreign currency risk, the entity entered into a combination of interest rate swaps and cross currency interest rate swaps transforming the fixed USD receivable into a fixed Euro receivable (EUR 162 million). Cashflow hedge accounting was applied to the synthetical cross currency interest rate swap. The loans were fully repaid at due date in January 2014 and the related derivatives expired.

A total of EUR 763 million of the bonds which matured in 2014 have been transformed into a floating rate liability with a fixed to float receiver interest rate swap. For this interest rate swap fair value hedge Accounting was applied. The EUR 763 million have been used to finance floating rate EUR loans to DP DHL Group companies which were repaid in 2014. The bond was repaid in January 2014 at due date and the receiver swap expired.

Foreign exchange risk

Currency risks for the Company arise almost exclusively from its USD lending activities to the Deutsche Post DHL Group companies. According to the Deutsche Post DHL Group risk management guidelines the recorded currency risks arising from financial transactions are usually hedged in full.

These risks are hedged using financial derivatives, such as currency forwards, swaps and cross currency interest rate swaps.

The Company does not 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.

(4) Derivative financial instruments and hedging

Derivative financial instruments

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

Fair values:

	30-06-2014	31-12-2013
	EUR	EUR
Interest rate swaps (negative value)	0	(1.386.542)
Interest rate swaps (positive value)	21.389.014	41.167.970
Cross-currency interest rate swaps (negative value)	0	0
Cross-currency interest rate swaps (positive value)	70.646.653	82.431.270
Total FV of all derivative financial instruments	92.035.667	122.212.698

The positive market values of the interest rate swaps and the cross-currency interest rate swaps are included in the non-current assets.

The fair value of the interest rate and foreign currency hedging instruments was calculated on the basis of discounted expected future cash flows, using a discounted cash flow model using observable market input.

Nominal amounts:

	30-06-2014	31-12-2013
	EUR	EUR
Interest rate swaps	500.000.000	1.425.800.000
Cross-currency interest rate swaps	750.000.000	912.535.859

Fair value hedges

Interest rate swaps with a notional amount of EUR 925.800.000 were entered into to hedge the fair value risk of fixed interest Euro-denominated bond which matured in 2014. 82,4% of the notional amount of these fixed to floating interest rate swaps was accounted for as a fair value hedge. The floating interest rate swaps expired in January 2014 [31 December 2013: EUR 33.922.407].

An Interest rate swap with a volume of EUR 500.000.000 was concluded in 2012 to hedge the fair value risk of the nominal amount of the fixed interest Euro-denominated bond

maturing in 2022. The positive fair value of this fixed to floating interest rate swap amounts to EUR 21.389.014 [31 December 2013: negative fair value of EUR 1.386.542].

Cash flow hedges

Cash flow hedges were entered into to hedge the interest and currency cash flow risk on bonds/loans resulting from foreign currency and interest changes.

Fixed interest foreign currency intra group loan receivables were transformed into fixed interest EUR loans using synthetical cross-currency interest rate swaps. For hedge accounting purposes the cross-currency interest rate swaps with a notional amount of USD 200.000.000 have been aligned with 17,6% of the notional amount of the fixed to floating interest rate swaps.

These cross-currency interest rate swaps have hedged the currency risk, and expired in January 2014 together with the underlying loans [31 December 2013: EUR 21.432.644].

In 2012 the Company granted a long term USD denominated fixed interest loan (maturity 2017). In order to hedge the associated risks the Company entered into a fixed to fixed cross-currency interest rate swap changing the fixed USD 943.125.000 receivables of the loan into a fixed EUR 750.000.000 receivable and related interest receivable. The positive fair value of this cross-currency interest rate swap amounts to EUR 70.646.653 at balance sheet date [31 December 2013: EUR 68.244.190].

(5) Shareholders' equity

Share capital

The authorized share capital of the Company as at 30 June, 2014 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 and short-term

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%.

During August and September 2004 Deutsche Post AG, the ultimate shareholder of the Company, purchased bonds of the Company with a nominal amount of EUR 74.200.000 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.

The remaining 2003/2014 bonds were fully redeemed in January 2014 at due date.

On 25 June, 2012 the Company issued EUR 750.000.000, 1,875% bonds of 2012/2017 with an issue price of 99,467% and EUR 500.000.000, 2,950% bonds of 2012/2022 with an issue price of 99,471%.

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

Nominal amounts:

Bonds	30-06-2014	31-12-2013
	EUR	EUR
Bond 2014	0	925.800.000
Bond 2017	750.000.000	750.000.000
Bond 2022	500.000.000	500.000.000
	<u>1.250.000.000</u>	<u>2.175.800.000</u>

The maturity of the bonds as reported were:

< 1 year, nominal value

1 – 5 years, nominal value

> 5 years, nominal value

30-06-2014	31-12-2013
EUR	EUR
0	925.800.000
750.000.000	750.000.000
500.000.000	500.000.000
<u>1.250.000.000</u>	<u>2.175.800.000</u>

The Fair Values of the bonds are as follows:

Bonds	30-06-2014	31-12-2013
	EUR	EUR
Bond 2014	0	928.521.852
Bond 2017	776.812.500	767.347.500
Bond 2022	546.440.000	516.000.000
	<u>1.323.252.500</u>	<u>2.211.869.352</u>

The carrying amounts of the amortized costs of the bonds (before the fair value adjustments relating to hedging) are as follows:

Bonds	30-06-2014	31-12-2013
	EUR	EUR
Bond 2014	0	925.766.829
Bond 2017	746.124.984	745.497.784
Bond 2022	496.190.666	495.980.064
	1.242.315.650	2.167.244.677

The carrying amounts of the bonds (after fair value adjustment relating to hedging) are as follows:

Bonds	30-06-2014	31-12-2013
	EUR	EUR
Bond 2014	0	928.331.872
Bond 2017	746.124.984	745.497.784
Bond 2022	517.565.382	487.147.588
	1.263.690.366	2.160.977.244

The effective interest rates were as follows:

Bonds	30-06-2014	31-12-2013
Bond 2014		0,9074%
Bond 2017	2,0613%	2,0613%
Bond 2022	1,6437%	1,7304%

(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:

	1 January – 30 June, 2014	1 January – 30 June, 2013
	EUR	EUR
Deutsche Post DHL Group companies	14.535.408	18.126.451
Interest gains or expenses from cross-currency swaps	(802.526)	874.824
	13.732.882	19.001.275

(8) Interest expenses

Interest expenses due on bonds can be specified as follows:

	1 January – 30 June, 2014	1 January – 30 June, 2013
	EUR	EUR
Interest expenses (fixed) Bond 2014	(644.588)	(4.275.460)
Interest expenses (fixed) Bond 2017	(6.971.615)	(8.380.499)
Interest expenses (fixed) Bond 2022	(4.048.204)	(3.868.087)
Amortization of the bond discount and issue costs and release of upfront compensation payment (deferred income)	(854.103)	(785.754)
Guarantee provision	(657.910)	(931.414)
Interest expense from affiliated companies (Deutsche Post AG loans)	(13.615)	0
	<hr/>	<hr/>
	(13.190.035)	(18.241.214)
	<hr/>	<hr/>

(9) Disclosure on financial instruments

The following table presents the financial instruments recognized at fair value and those financial instruments whose fair value is required to be disclosed; the financial instruments are presented by the level in the fair value hierarchy to which they are assigned. The simplification option under IFRS 7.29a was exercised for current assets and short-term liabilities with predominantly short maturities. Their carrying amounts as at the reporting date are approximately equivalent to their fair values.

Level 1 mainly comprises debt instruments measured at amortized cost.

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

No instruments have been disclosed under Level 3.

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

Recurring fair value measurement

Financial assets and liabilities per 30 June 2014

EUR	Level 1	Level2	Level 3	Total
Assets				
Non-current assets	0	1.351.054.769	0	1.351.054.769
Current assets	0	0	0	0
Total assets	0	1.351.054.769	0	1.351.054.769
Liabilities				
Long-term liabilities	(1.323.252.500)	0	0	(1.323.252.500)
Short-term liabilities	0	0	0	0
Total liabilities	(1.323.252.500)	0	0	(1.323.252.500)

Financial assets and liabilities per 31 December 2013

EUR	Level 1	Level 2	Level 3	Total
Assets				
Non-current assets	0	1.326.193.114	0	1.326.193.114
Current assets	0	987.904.899	0	987.904.899
Total assets	0	2.314.098.013	0	2.314.098.013
Liabilities				
Long-term liabilities	(1.283.347.500)	(1.386.542)	0	(1.284.734.042)
Short-term liabilities	(928.521.852)	(59.516.161)	0	(988.038.013)
Total liabilities	(2.211.869.352)	(60.902.703)	0	(2.272.772.055)

Level 1 : Quoted prices for identical instruments in active market

Level 2 : Inputs other than quoted prices that are directly or indirectly observable for instruments

Level 3 : Inputs not based on observable market data

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

To hedge cash flow and fair value risks, Deutsche Post Finance B.V. enters into financial derivative transactions with Deutsche Post AG. There are no netting agreements for these contracts. Therefore all derivatives are recognized at their gross amount in the financial statements.

(10) *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. Current and deferred income tax assets and liabilities of the Company have been included and recognized in the accounts of Deutsche Post International B.V. as head of the fiscal unity.

(11) *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 (changes in receivables and payables).

The Company has not received or paid any dividends during 2014.

(12) *Related party transactions*

Deutsche Post Finance B.V. is involved in various related party transactions. For more details, we refer to these Financial Statements.

(13) *Employees*

The Company has no employees. Employees of the Deutsche Post European Financial Shared Services in Maastricht and the Treasury Center in Bonn perform the administrative activities.

(14) *Director's remuneration*

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

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

The members of the Management Board do not receive any remuneration from the Company.

(15) *Commitments and rights not included in the balance sheet*

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.

The tax position of the Company is accounted for and included in the consolidated tax position of the head of the fiscal unity, Deutsche Post International B.V. In line with Group policy the income tax expenses are not being charged to the Company, but remain with the head of the fiscal unity.

3. Post balance sheet events

No post balance sheet events have occurred.

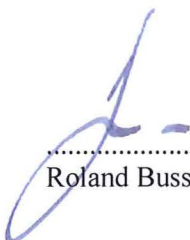
4. Responsibility Statement

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:

Maastricht, 28 August, 2014

The Management Board:



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Roland Buss



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Timo van Druten