Deutsche Post Finance B.V.

Financial Statements 2010

PricewaterhouseCoopers Accountants N.V.
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1. Management Report

1.1 Introduction

This report includes the 2010 Financial Statements of Deutsche Post Finance B.V. ("The Company").

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 Maastricht 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 W. Buss
- Mr. Timo L.F. 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 2010 result after taxation amounts to a profit of EUR 3.060.787. Excluding the net income from hedge ineffectiveness, totaling EUR 2.404.748, the 2010 minimum margin result, amounts to a profit of EUR 656.039. 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 results in some ineffectiveness. Based on market developments this can either be an income or expense.

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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 global economic upturn is expected to be sustained in 2011, though the economy will be susceptible to setbacks. Uncertainty continues to prevail on the financial markets. Moreover, fiscal impetus is expected to let up in the industrial nations in particular. Growth will therefore most likely fall somewhat below the figures for 2010.

The US Federal Reserve is expected to maintain the key interest rate at its current extremely low level in 2011. The ECB is also likely to stay with current interest level for the time being and only raise it slightly later in the year, provided the economic recovery continues and the European national debt crisis abates.
Interest rates on the capital markets are likely to experience a slight increase. However, yield spreads are expected to remain very tight, assuming that inflation pressure stays low.

Due to Deutsche Post DHL's substantial liquidity position, no major funding initiatives are currently planned. The Company will however persist as a Group finance company and any future proceeds of debt issues will be lent within the Group according to the ruling with the Dutch Tax Authorities.

Maastricht, 22 April 2011

The Management Board:

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Roland W. Buss Timo L.F. van Druten

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2. Financial Statements

2.1 Balance sheet as at 31 December, 2010

Amounts in EUR	Note	31 December, 2010		31 December, 2009	
Non-current assets					
Long-term loans receivable	(12)	1.563.952.772		1.558.853.030	
Non-current derivatives positive FV	(13)	143.891.074		157.880.031	
			1.707.843.846		1.716.733.061
Current assets					
Short-term loans receivable	(14)	28.100.000		22.500.000	
Short-term receivables from affiliated companies	(15)	27.512.890		25.811.047	
Other receivables		2.370		14.490	
			55.615.260		48.325.537
			1.763.459.106		1.765.058.598
Shareholders' equity	(16,13)				
Share capital		18.500		18.500	
Capital reserve		2.000.000		2.000.000	
Hedge reserve		(1.973.963)		(279.571)	
Retained earnings		13.157.390		10.096.603	
			13.201.927		11.835.532
Long-term liabilities					
Bonds-long term	(17)	1.691.969.013		1.697.420.357	
Long-term loans payable	(18)	4.856.500		4.856.500	
Non-current derivatives negative FV	(13)	2.856.169		0	
			1.699.681.682		1.702.276.857
Short-term liabilities					
Accrued interest	(19)	49.815.516		49.815.516	
Other current liabilities and accruals	(20)	759.981		1.116.693	
Short-term payables	(21)	0		14.000	
			50.575.497		50.946.209
			1.763.459.106		1.765.058.598

The notes are an integral part of the Company's Financial Statements.
The profit for the year is attributable to the owner of the parent.

2.2 Statement of comprehensive income 2010

Amounts in EUR	Note		2010		2009
Interest income	(22)	31.792.166		44.399.466	
Interest expenses	(23)	(30.933.520)		(43.473.586)	
Other gains and losses	(24)	2.404.748		2.177.960	
Other operating expenses	(25)	(202.607)		(188.296)	
Profit Before Taxes			3.060.787		2.915.544
Income tax expense	(26)	0		0	
Profit (Loss) for the Year			3.060.787		2.915.544
Changes in hedge reserve	(16,13)		(1.694.392)		9.395.885
Comprehensive income			1.366.395		12.311.429

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	9.395.885	0	0	9.395.885	0
Net result 2009	2.915.544	0	0	0	2.915.544
Balance at 31 Dec., 2009	11.835.532	18.500	2.000.000	(279.571)	10.096.603
Movements 2010					
Valuation Financial Instruments	(1.694.392)	0	0	(1.694.392)	0
Net result 2010	3.060.787	0	0	0	3.060.787
Balance at 31 Dec., 2010	13.201.927	18.500	2.000.000	(1.973.963)	13.157.390

Notes to the Shareholders' Equity are included in note 16.

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

2.4 Cash flow statement 2010

Amounts in EUR	2010	2009
Cash Inflow		
Repayment of loans	185.000.000	111.000.000
Interest inflow	34.335.322	71.949.848
Total Cash Inflow	**219.335.322**	**182.949.848**
Cash Outflow		
New allocation of loans	(185.000.000)	(111.000.000)
Interest outflow	(32.937.747)	(70.712.412)
Other outflows (SLA etc.)	(166.476)	(342.040)
Total Cash Outflow	**(218.104.223)**	**(182.054.452)**
Net Cashflow	**1.231.099**	**895.396**

Inhousebank balance	2010	2009
Opening balance at 1 January	14.944.110	14.048.714
Net Cashflow	1.231.099	895.396
Closing balance at 31 December	**16.175.209**	**14.944.110**

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

For transparency reasons, the Company's management decided to switch from the indirect method to the direct method of representing its cash flow.
All cashflows are considered to be operating cashflows.

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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 in Maastricht 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.

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 22 April 2011.

(2) Basis of accounting

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities held at fair value through profit or loss, and all derivative contracts.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements, are disclosed in note 10.

Amendments to published standards and interpretations effective on or after 1 January 2010
The application of the amendments and interpretations listed below did not result in substantial changes to the Company's accounting policies:

- IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements)
- "Improvements to IFRS" (2009)
- IAS 39 (Financial Instruments : Recognition and Measurement)
- IFRS 1 (First-Time Adoption of International Financial Reporting Standards)
- IFRS 3 (Share-based Payments)
- IFRS for Small and Medium-sized Enterprises (IFRS for SME)

- IFRIC 12 (Service Concession Arrangements)
- IFRIC 15 (Agreements for the Construction of Real Estate)
- IFRIC 17 (Distribution of Non-cash Asset to Owners)
- IFRIC 18 (Transfer of Assets from Customers)

These standards and interpretations were adopted into European law by Commission Regulation.

New accounting pronouncement adopted by the EU required to be applied in future.
The following standards, changes to standards and interpretations have already been endorsed by the EU. However, they will only be required to be applied in the future:

- IAS 24 (Related Party Disclosures)
- IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments)
- IFRIC 14 (The Limit on a Defined Benefit Asset. Minimum Funding, Requirements and their Interaction)
- IAS 32 (Financial Instruments: Presentation)

The application of these will not have a material impact on the entities Financial Statements in the period of initial application.

New accounting requirements not yet adopted by the EU (endorsement procedure)
The IASB and the IFRIC issued further Standards and Interpretations in 2010 whose applications is not yet mandatory for financial year 2010. The application of these IFRS is dependent on their adoption by the EU.

- Improvements to IFRS (2010)
- IFRS 9 (Financial Instruments)
- IFRS 7 (Financial Instruments: Disclosure) Amendment

(3) Foreign currencies

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement except when deferred in equity as qualifying cash flow hedges.

(4) Financial assets

Non-current financial assets include financial instruments, which under IAS 39 are classified either as “available for sale” or “held to maturity”, or as “loans and receivables”.
The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

No financial assets have been classified as available for sale or held to maturity in 2009 or 2010.

Financial instruments classified as loans and receivables, which include long-term loans, are initially measured at fair value and subsequently measured at amortized cost using the effective interest method. Impairment losses on financial instruments classified as loans and receivables are charged to income if the recoverable amount falls below the carrying amount. They are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market.

All financial assets are recognized on the balance sheet, when the Company becomes a party to the contract by using trade date accounting. They are included in the current assets except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

The fair values of the loans have been calculated by applying the discounted cash flow method.

The carrying amounts of financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of the net selling price and the value in use with an impairment loss being recognized whenever the carrying amount exceeds the recoverable amount.
The criteria that the Group uses to determine that there is objective evidence of an impairment loss include :

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that is a measurable decrease in the estimated future cash flows since initial recognition.

The Group first assesses whether objective evidence of impairment exists.

(5) Short-term receivables and payables

Receivables and payables are carried at amortized cost. The Company participates in the cash pooling of the Deutsche Post DHL Group. The cash pool balances at the balance sheet date are shown as receivables or payables.

Fair values are considered to approximately match the carrying amounts of short-term receivables and payables.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash, demand deposits and other short-term liquid financial assets with an original maturity of up to three months and are carried at their principal amount.

Cash pool balances are not shown as cash.

(7) ***Financial liabilities***

Financial liabilities are recognized on the balance sheet, when the Company becomes a party to the contract at fair value on inception. They are subsequently carried at amortized cost by applying the effective interest method. Accrued interest on the bonds is reported separately as a current liability.

The valuation of the bonds is derived from published market prices. The fair values of the other long-term liabilities have been calculated by applying the discounted cash flow method.

Financial liabilities under fair value hedge accounting are including a fair value step up.

(8) ***Derivative financial instruments and hedge accounting***

All derivative financial instruments are recognized at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. The method of recognizing the resulting gain or loss depends on whether the instrument is designated as a hedging instrument.

To avoid variations in the net profit resulting from changes in the fair value of derivative financial instruments, hedge accounting is applied where possible and economically useful. This concerns the interest swaps and cross currency swaps.

If hedge accounting is applied, the net profit or loss from both the derivative and the related hedged item are simultaneously recognized in income. Depending on the hedged item and the risk to be hedged, the Company uses fair value hedges and cash flow hedges. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement as they arise. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealized gains or losses reported in the income statement.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedges
For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in profit or loss. Gains or losses from re-measuring the derivative are also recognized in profit or loss. Accordingly, changes in the fair value of both the derivatives and the hedged item are simultaneously recognized in income.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of an hedged item for which the effective interest method is used is amortised to profit and loss over the period to maturity.

Cash flow hedges
Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. The amounts deferred in equity are recognized in the income statement in the same period in which the hedged item affects net profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognized in equity is retained in equity until the forecasted transaction affects profit or loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to net profit or loss for the period.

(9) Interest income and expense

Interest income is recognized on a time-proportion basis using the effective interest method. When loans and receivables are impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

(10) Critical accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and advances
The Company reviews its loans to assess impairment at least on a yearly basis. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a loan.

(b) Fair value of derivatives
The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(11) *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 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.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques (level 2 of the IFRS 7 fair value hierarchy). These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates.

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.

The Company has to account for its respective portion of the hedging activities and financial instruments results, entirely relying on the data, provided by the Deutsche Post DHL Group Treasury department.

In 2002 and 2003 Deutsche Post Finance B.V. issued two bonds with fixed coupon payments maturing in 2012 respectively 2014 to refinance the floating EURO loans to DP DHL group companies.

At 31 December 2010, the complete notional volume of EUR 1.605 million (previous year: EUR 1.605 million) was hedged using interest rate swaps (receiver swaps).

In 2004 Deutsche Post Finance B.V. reduced the Euro financing position and 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 cross currency swap. The fixed USD receivable were transformed in a floating Euro receivable (EUR 162 million).

The cross currency swap and 17,56% of notional amount of the interest rate swaps (EUR 162 million) were combined to a synthetical fix-to-fix cross currency swap under applying cash flow hedge accounting.

The change of market value of the synthetically cross currency swap (cash flow hedge accounting) and the change of market value of the underlying, is quasi zero assumed that the USD and Euro interest rates both move into the same direction and the same amount. In such a scenario the change in market values of both would approximately offset each other. Therefore the equity impact is zero.

Foreign exchange risk
Currency risks for the Company arise almost exclusively from its lending USD 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 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.

IFRS 7 requires a company to disclose a sensitivity analysis, showing how profit and loss and equity are affected by hypothetical changes in exchange rates at the reporting date. In this process, the hypothetical changes in exchange rates are analysed in relation to the portfolio of financial instruments not denominated in their functional currency and being of monetary nature. It is assumed that the portfolio as at the reporting date is representative for the whole year.

The following assumptions are taken as a basis for the sensitivity analysis:

The company hedges the currency risk from primary monetary financial instruments with Deutsche Post AG using derivatives. Hypothetical changes in exchange rates affect the fair value of the derivatives recorded in profit and loss; they also affect the currency result from the measurement at closing date of the loans denominated in foreign currency. Both results have an offsetting effect in profit and loss.

Therefore an appreciation of the Euro against USD would have had no effects on profit or loss.

In addition, hypothetical changes in exchange rates affect equity and the fair value of the synthetically cross currency swaps, combinations between interest rate swaps and cross currency swaps.

A 10% appreciation of the Euro against USD would have changed the hedging reserve accounted for in equity by EUR 2,2 million (previous year: EUR 1,9 million). A devaluation of the Euro would mainly have had the opposite effect on equity.

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.

The following picture shows the maturity structure of primary financial liabilities to be applied within the scope of IFRS 7 based on cash flows:

Maturity structure – remaining maturities

31 – 12 – 2009

EUR (millions)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years
Bonds-long term	80	80	759	45	971	0
Long-term loans payable	0	0	2	0	3	0
	80	**80**	**761**	**45**	**974**	**0**

31 -12 – 2010

EUR (millions)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years
Bonds-long term	80	759	45	971	0	0
Long-term loans payable	0	2	0	3	0	0
	80	**761**	**45**	**974**	**0**	**0**

Derivative financial instruments entail both rights and obligations. The contractual agreement defines whether these rights and obligations can be offset against each other, thus leading to a net settlement, or whether both parties to the contract will have to fully fulfill their obligations (gross settlement). The maturity structure of payments under derivative financial instruments is as follows:

Maturity structure – remaining maturities

31 -12 – 2009

EUR (millions)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years
Derivative receivables						
Cash inflows	83	84	86	52	211	0
Cash outflows	(34)	(48)	(63)	(43)	(162)	0
Derivative liabilities						
Cash inflows	0	0	0	0	0	0
Cash outflows	0	0	0	0	0	0

31- 12 – 2010

EUR (millions)	less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years
Derivative receivables						
Cash inflows	80	80	45	45	0	0
Cash outflows	(29)	(34)	(24)	(16)	0	0
Derivative liabilities						
Cash inflows	3	4	5	165	0	0
Cash outflows	(8)	(8)	(8)	(154)	0	0

Credit risk
In general the Company only grants intra Group loans. Deutsche Post AG, being ultimate parent company, is expected to support any Group company in its ability to pay back its liabilities towards Deutsche Post Finance B.V.

(12) Long-term loans receivable

Movements during the financial year were as follows:

	2010	2009
	EUR	EUR
Opening balance at 1 January	1.558.853.030	1.483.388.638
New loans	134.400.000	88.500.000
Redemptions	(140.000.000)	(10.000.000)
Currency translation differences	10.699.742	(3.035.608)
Balance at 31 December	1.563.952.772	1.558.853.030

Long-term loans receivable at year end amounted to the following balances:

	31-12-2010	31-12-2009
	EUR	EUR
Deutsche Post AG	65.900.000	88.500.000
Other Deutsche Post DHL Group related parties	1.498.052.772	1.470.353.030
	1.563.952.772	1.558.853.030

The maturity of the long-term loans receivable is as follows:

	31-12-2010	31-12-2009
	EUR	EUR
2012	651.100.000	656.700.000
2014	912.852.772	902.153.030
	1.563.952.772	1.558.853.030

A redemption of EUR 140.000.000 from Deutsche Post AG took place during 2010 (EUR 78,5 million in April and EUR 61,5 million in August 2010). In return, new loans for an amount of EUR 134,4 million have been granted. Deutsche Post AG was granted loans totalling to EUR 117,4 million and EUR 17 million to Exel Healthcare (Belgium) NV. The redemption and new loans granted are linked to the bond, maturing in 2012.

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At balance sheet date, the Company only had long-term loans receivable in EUR and USD.
None of the long-term loans receivable have matured or are past due.
None of the long-term loans receivable are impaired.

The nominal interest rates at the balance sheet date were as follows:

	31-12-2010	31-12-2009
EUR	1,64 % - 1,79 %	1,50 % - 1,80 %
USD	5,29 % - 5,55 %	5,29 % - 5,55 %

The carrying amounts and fair value of the long-term loan receivables at year end were:

Carrying amounts		Fair values	
31-12-2010	31-12-2009	31-12-2010	31-12-2009
EUR	EUR	EUR	EUR
1.563.952.772	1.558.853.030	1.598.947.410	1.589.906.293

The fair values are based on cash flows discounted using a rate based on the current market rate.

The carrying amounts of the company's long-term loans receivables at year end were denominated in the following currencies:

	31-12-2010	31-12-2009
	EUR	EUR
EUR	1.414.364.141	1.419.964.141
USD	149.588.631	138.888.889
	1.563.952.772	1.558.853.030

The company has given the following fixed rate/floating rate long-term loans:

	31-12-2010	31-12-2009
	EUR	EUR
Floating rate loans	1.414.364.141	1.419.964.141
Fixed rate loans	149.588.631	138.888.889
	1.563.952.772	1.558.853.030

(13) Derivative financial instruments and hedging

Derivative financial instruments

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

Fair values	**31-12-2010**	**31-12-2009**
	EUR	EUR
Interest rate swaps	143.891.074	147.714.722
Cross currency swaps	(2.856.169)	10.165.309
Total FV of all derivative financial instruments	141.034.905	157.880.031

The interest rate swaps are included in the non-current assets and the cross currency swaps are included in the long-term liabilities (2009 : non-current assets).

None of the derivative financial instruments have matured or are past due.
None of the derivative financial instruments are impaired.

The fair value of the interest rate and foreign currency hedging instruments was calculated on the basis of discounted expected future cash flows, using the Groups Treasury management system.

Nominal amounts:

	31-12-2010	**31-12-2009**
	EUR	EUR
Interest rate swaps	1.605.000.000	1.605.000.000
Cross currency swaps	162.535.859	162.535.859

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 143.891.074 [2009: EUR 147.714.722].

Cash flow hedges

Cash flow hedges are entered into to hedge the interest and currency risk or cash flow risk resulting from foreign currency and interest changes.

Currency hedges

Fixed interest foreign currency investments were transformed into fixed interest euro investments using synthetical 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 swap. The cross currency swaps hedge the currency risk, and their fair values as at 31 December, 2010 amounted to EUR -2.856.169 [2009: EUR 10.165.309]. The investments relate to internal Group loans which mature in 2014.

(14) Short-term loans receivable

Movements during the financial year were as follows:

	2010	2009
	EUR	EUR
Opening balance at 1 January	22.500.000	101.000.000
New loans	50.600.000	22.500.000
Redemptions	(45.000.000)	(101.000.000)
Balance at 31 December	28.100.000	22.500.000

None of the short-term loans receivable have matured or are past due.
None of the short-term loans receivable are impaired.

Short-term loans receivable at year end amounted to the following balances:

	31-12-2010	31-12-2009
	EUR	EUR
Deutsche Post DHL Group companies	28.100.000	22.500.000

Two short-term loans, totalling to EUR 45.000.000 were repaid in April and October 2010. In return, three short-term loans of EUR 50.600.000 in total were granted.
The short-term loans receivable of EUR 28.100.000 matures in July 2011.

The nominal interest rates at the balance sheet date for the short-term loans were as follows:

31-12-2010	31-12-2009
1,64 %	1,50 %

The carrying amounts and fair value of the short-term loan receivables at year end were:

Carrying amounts		Fair values	
31-12-2010	31-12-2009	31-12-2010	31-12-2009
EUR	EUR	EUR	EUR
28.100.000	22.500.000	28.100.000	22.500.000

Fair values of short-term loan receivables are considered to approximate their carrying amounts since they have a maturity less than one year and are floating interest receiving loans.

The carrying amounts of the company's short-term loans receivables at year end were denominated in the following currencies:

	31-12-2010	31-12-2009
	EUR	EUR
	28.100.000	22.500.000

All short-term loans are bearing floating interest rates.

(15) *Short-term receivables from affiliated companies*

Short-term receivables represent interest receivables and intercompany cash pool balances from affiliated companies. The total short-term receivables can be splitted in:

	31-12-2010	31-12-2009
	EUR	EUR
Deutsche Post AG – Cash pool	16.175.210	14.944.111
Interest receivable from other Deutsche Post DHL Group companies	11.337.680	10.866.936
	27.512.890	25.811.047

(16) *Shareholders' equity*

Share capital
The authorized share capital of the Company as at 31 December, 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 is 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.

	31-12-2010	31-12-2009
	EUR	EUR
Opening balance at 1 January	(279.571)	(9.675.456)
Additions	(2.033.568)	9.875.956
Recognition in income statement	339.175	(480.071)
Balance at 31 December	(1.973.963)	(279.571)

(17) 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.

Nominal amounts :

Bonds	31-12-2010	31-12-2009
	EUR	EUR
Bond 2012	679.200.000	679.200.000
Bond 2014	925.800.000	925.800.000
	1.605.000.000	1.605.000.000

	31-12-2010	31-12-2009
	EUR	EUR
The maturity of the bonds as reported at year end is:		
1 – 5 years, nominal value	1.605.000.000	1.605.000.000
> 5 years, nominal value	0	0
	1.605.000.000	1.605.000.000

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

Bonds	31-12-2010	31-12-2009
	EUR	EUR
Bond 2012	678.020.875	677.394.624
Bond 2014	924.681.182	924.352.684
	1.602.702.057	1.601.747.308

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

Bonds	31-12-2010	31-12-2009
	EUR	EUR
Bond 2012	712.558.146	719.905.708
Bond 2014	979.410.867	977.514.649
	1.691.969.013	1.697.420.357

The fair values of the bonds are as follows:

Bonds	31-12-2010	31-12-2009
	EUR	EUR
Bond 2012	717.640.682	722.988.024
Bond 2014	991.654.931	980.697.163
	1.709.295.613	1.703.685.187

The effective interest rates were as follows:

Bonds	31-12-2010	31-12-2009
Bond 2012	1,598 %	1,458 %
Bond 2014	1,685 %	1,701 %

(18) Long-term loans payable

The long-term liabilities due to affiliated companies are as follows:

	31-12-2010	31-12-2009
	EUR	EUR
Deutsche Post AG	4.856.500	4.856.500

	31-12-2010	31-12-2009
	EUR	EUR
The fair value of the long-term loans payable are:	5.434.322	5.478.450

The maturity of these liabilities (in alignment with the maturity date of the bonds) is between 1 and 4 years, fixed interest rate is applied, the interest rate range is between 5,00 % and 5,51 %.

(19) Accrued interest

	31-12-2010	31-12-2009
	EUR	EUR
Accrued interest to bondholders	49.815.516	49.815.516

(20) *Other current liabilities and accruals*

The breakdown of accruals and deferred income is as follows:

	31-12-2010	31-12-2009
	EUR	EUR
Other accruals	42.055	24.395
Received upfront fee bonds	717.926	1.092.298
	759.981	1.116.693

The Company received an upfront compensation payment for the paid bond discount on the bonds issued in 2002 and 2003 from Deutsche Post AG. This compensation has been recorded in deferred income and was recognized on the effective interest rate method of amortization.
All balances stated above fall due within 1 year with the exception of received upfront fee bonds, which is amortized over the usefull life of the underlying financial liability.

(21) *Short-term payables*

	31-12-2010	31-12-2009
	EUR	EUR
Other Deutsche Post DHL Group companies	0	14.000

Fair value of short-term payables is considered to approximate their carrying amounts since they have a maturity of less than one year.

(22) *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:

	2010	2009
	EUR	EUR
Deutsche Post DHL Group companies	31.792.166	44.399.466

The interest income of the Company which is depending on market interest rates, substantially decreased in 2010 due to significantly lower market interest rates compared to 2009.

(23) Interest expenses

Interest expenses due on bonds can be specified as follows:

	2010	2009
	EUR	EUR
Interest expenses (fixed) Bond 2012	(34.809.000)	(34.713.633)
Interest expenses (fixed) Bond 2014	(45.132.750)	(44.999.301)
Interest income from interest rate swaps related to Bond 2012	25.522.421	19.618.696
Interest income from interest rate swaps related to Bond 2014	30.606.858	21.653.428
Depreciation of the bond discount and issue costs and release of upfront compensation payment (deferred income)	(580.378)	(551.874)
Guarantee provision	(802.500)	(800.201)
Interest expense from affiliated companies (Deutsche Post AG loans)	(250.666)	(249.943)
Interest expenses cross currency interest rate swaps (Deutsche Post AG)	(5.487.505)	(3.430.758)
	(30.933.520)	(43.473.586)

(24) Other gains and losses

	2010	2009
	EUR	EUR
(Expense)/Income from fair valuation of interest rate swaps	(6.406.092)	21.373.524
Income from foreign exchange differences	10.699.742	3.035.607
Net income from hedge ineffectiveness	2.404.748	2.177.967
(Expense) from fair valuation of currency swaps	(10.699.742)	(3.035.607)
Income/(Expense) from valuation of bonds (interest related)	6.406.092	(21.373.531)
	2.404.748	2.177.960

The income and expense from foreign exchange differences, result from the translation of loans denominated in foreign currencies.

(25) Other operating expenses

	2010	2009
	EUR	EUR
Legal, consulting and audit fees	(62.123)	(28.296)
Other administrative expenses	(140.484)	(160.000)
	(202.607)	(188.296)

(26) *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.

(27) *Additional disclosure on the financial instruments*

Deutsche Post Finance B.V. classifies financial instruments in relation to the respective balance sheet accounts. The following table reconciles the balance sheet accounts to the categories given in IAS 39.

31-12-2009

EUR	Carrying amount	Loans and receivables	Other liabilities at amortized cost	Derivatives designated as hedging instrument
		Amortized cost	Amortized cost	Fair Value
Assets				
Non-current assets	1.716.733.061	1.558.853.030	0	157.880.031
Current assets	48.325.537	48.325.537	0	0
Total assets	1.765.058.598	1.607.178.567	0	157.880.031
Liabilities				
Long-term liabilities	1.702.276.857	0	1.702.276.857	0
Short-term liabilities	49.829.516	0	49.829.516	0
Total liabilities	1.752.106.373	0	1.752.106.373	0

31-12-2010 EUR	Carrying amount	Loans and receivables	Other liabilities at amortized cost	Derivatives designated as hedging instrument
		Amortized cost	Amortized cost	Fair Value
Assets				
Non-current assets	1.707.843.846	1.563.952.772	0	143.891.074
Current assets	55.615.260	55.615.260	0	0
Total assets	1.763.459.106	1.619.568.032	0	143.891.074
Liabilities				
Long-term liabilities	1.699.681.682	0	1.696.825.513	2.856.169
Short-term liabilities	50.575.497	0	50.575.497	0
Total liabilities	1.750.257.179	0	1.747.401.010	2.856.169

(28) *Cash flows*

The cash flow statement has been prepared following the direct method. 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 principal loan amounts and interest received and paid are classified as operating activities.

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

(29) *Related party transactions*

Management Board

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

- Mr. Roland W. Buss
- Mr. Timo L.F. van Druten.

The Company has no employees. Employees of the Deutsche Post European Financial Shared Services, located in Maastricht, the Netherlands, perform the operational and administrative activities. The members of the Management Board do not receive any remuneration from the Company.

(30) Commitments and rights not included in the balance sheet

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.

(31) Auditor's fees

The following fees for services rendered by the auditor of the Company's Financial Statements, PricewaterhouseCoopers Accountants N.V., in the financial year 2010 and in the preceding financial year, were recognised as expense:

	2010	**2009**
	EUR	EUR
Auditor's fees	36.918	43.673

(32) **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, 22 April 2011

The Management Board:

....

Roland W. Buss Timo L.F. van Druten

3. Other information

3.1 Appropriation of net income

In respect of the appropriation of the net income, the following is stipulated in § 14 of the articles of association:

In the general meeting the shareholder shall decide, whether the profit achieved during the fiscal year will be completely or partly distributed, or whether it shall be transferred to the reserves.

1. Distributions can only be made if the equity exceeds the paid-in and called-up part of the capital plus legal reserves.

2. Dividends are distributed within one month after adoption of the annual Financial Statements. The general meeting can decide that the dividend is completely or partly distributed in another form than cash.

3. Either the general meeting or the management can – by taking into consideration the stipulations of § 2 – effect distributions from the profit and/or the reserves.

3.2 Proposal for the appropriation of net result 2010

	2010
	EUR
Net result for the year	3.060.787

The Management Board proposes to transfer the net result for the year 2010 to retained earnings.

3.3 Post balance sheet events

No post balance sheet events have occurred.

PricewaterhouseCoopers Accountants N.V.
For identification purposes only

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Independent auditor's report

To: the General Meeting of Shareholders of Deutsche Post Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 as set out on pages 6 to 31 of Deutsche Post Finance B.V., Maastricht, which comprise the balance sheet as at 31 December 2010, the profit and loss account, the statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Management board's responsibility

The management board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Deutsche Post Finance B.V. as at 31 December 2010, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Eindhoven, 22 April 2011
PricewaterhouseCoopers Accountants N.V.

H.J.M. Quadflieg RA