Deutsche Post Finance B.V.

Annual Report 2013

PricewaterhouseCoopers Accountants N.V.
For identification purposes only

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1. Management Report

1.1 Introduction

This report includes the 2013 Financial Statements of Deutsche Post Finance B.V. ("The Company"). The Company is part of Deutsche Post DHL ("The Group").

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 Maastricht, 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.

Business address

Pierre de Coubertinweg 7N, 6225 XT Maastricht.

1.4 Main business developments

In the initial months of 2013 the bond markets were dominated by the weak economy and the EMU sovereign debt crisis. In May, the yield on ten-year German government bonds fell to an annual low of 1,17%. Despite the ECB´s reductions in key interest rate, capital market interest rates increased during the rest of the year to reach 1,93% by the end of 2013.
In October 2013 - after having decided on Deutsche Post AG to be the issuing vehicle - the Group took advantage of the favourable capital market environment and issued bonds with a total volume of EUR 1 billion.
The bond proceeds were supposed to provide the necessary Group liquidity to enable Deutsche Post Finance B.V. to pay back its EUR 925.800.000 bonds maturing in January 2014.

The Company itself in 2013 did not perform any activities on the capital markets.

The Company's 2013 result after taxation amounts to a gain of EUR 2.007.334. Excluding the net gain from hedge ineffectiveness, totaling EUR 569.810, the 2013 minimum margin result amounts to a gain of EUR 1.437.524.

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 Diversity

Per 1 January 2013, Dutch corporate law has introduced standards with respect to gender diversity for executive and non-executive board positions at so called larger companies. The aim is that these companies pursue a policy of having at least 30% of board seats held by women and 30% of the board seats held by men. This specific clause in the law will cease to have effect on 1 January 2016.

The Company does not meet these standards per 31 December 2013 and there is no specific policy in place to actively strive for the gender diversity as mentioned in this provision in the law. When filing vacant board positions, the main consideration is and has been to select candidates on their suitability taking into account all aspects of the specific role, including relevant experience. No candidates have been excluded based on gender. There have been no changes in the composition of the management board.

1.6 Future business developments

The business development of Deutsche Post Finance B.V., being one of the most important financing vehicles of Deutsche Post DHL Group, is very much affected by the Group's liquidity situation.

Deutsche Post DHL anticipates a deterioration of its liquidity in the first half of 2014 as a result of the annual prepayment due to the Bundes-Pensions-Service fur Post und Telekommunikation and the repayment of the EUR 925.800.000 bonds, Deutsche Post Finance B.V. issued in 2003, as well as the dividend payment for the financial year 2013.
As the Group's operating liquidity situation will improve again significantly towards the end of the year due to the upturn in business that is normal in the second half of the year, the overall liquidity situation remains solid and hence it is not planned to have any capital markets issues in 2014.
For further information on the Group's liquidity situation it is referred to the Deutsche Post DHL Annual Report 2013.

In order to maintain the Group's unrestricted access to the capital markets, Deutsche Post AG and Deutsche Post Finance B.V. plan to update their EUR 5 billion Debt Issuance Programme in 2014.

Maastricht, 25 April 2014

The Management Board:

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Roland W. Buss Timo L.F. van Druten

2. Financial Statements

2.1 Balance sheet

Amounts in EUR	Note	31 December 2013		31 December 2012	
Non-current assets					
Long-term loans receivable	(13)	1.185.326.459		2.130.702.928	
Non-current derivatives positive FV	(14)	68.244.190		131.180.040	
			1.253.570.649		2.261.882.968
Current assets					
Short-term loans receivable	(15)	908.423.090		0	
Short-term receivables from affiliated companies	(16)	14.749.835		16.234.107	
Cash pool receivables	(17)	9.338.240		10.343.743	
Other receivables		38.684		994	
Current derivatives positive FV	(14)	55.355.050		0	
			987.904.899		26.578.844
			2.241.475.548		2.288.461.812
Shareholders' equity	(18,14)				
Share capital		18.500		18.500	
Capital reserve		2.000.000		2.000.000	
Hedge reserve		3.452.183		6.475.846	
Retained earnings		14.124.918		12.117.584	
			19.595.601		20.611.930
Long-term liabilities					
Bonds long-term	(19)	1.232.645.372		2.207.761.248	
Long-term loans payable	(20)	0		3.313.000	
Non-current derivatives negative FV	(14)	1.386.542		136.303	
			1.234.031.914		2.211.210.551
Provisions					
Other current provision	(21)	0		261.450	
			0		261.450
Short-term liabilities					
Bonds short-term	(19)	928.331.872		0	
Short-term loans payable	(22)	3.313.000		0	
Accrued interest	(23)	56.187.127		56.352.263	
Other current liabilities and accruals	(24)	16.034		25.618	
			987.848.033		56.377.881
			2.241.475.548		2.288.461.812

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

2.2 Statement of comprehensive income

Amounts in EUR	Note		2013		2012
Interest income	(25)	37.822.479		42.767.770	
Interest expenses	(26)	(36.224.470)		(41.513.397)	
Other gains and losses	(27)	569.810		(183.003)	
Other operating expenses	(28)	(160.485)		(272.968)	
Profit (Loss) Before Taxes			2.007.334		798.402
Income tax expense	(29)	0		0	
Profit (Loss) for the Year			2.007.334		798.402
Items that may be subsequently reclassified to profit or loss					
Changes in hedge reserve	(18,14)		(3.023.663)		6.348.889
Comprehensive income			(1.016.329)		7.147.291

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 2012	13.464.639	18.500	2.000.000	126.957	11.319.182
Movements 2012					
Value changes of derivatives	6.348.889	0	0	6.348.889	0
Net result 2012	798.402	0	0	0	798.402
Balance at 31 December 2012	20.611.930	18.500	2.000.000	6.475.846	12.117.584
Movements 2013					
Value changes of derivatives	(3.023.663)	0	0	(3.023.663)	0
Net result 2013	2.007.334	0	0	0	2.007.334
Balance at 31 December 2013	19.595.601	18.500	2.000.000	3.452.183	14.124.918

Notes to the Shareholders' Equity are included in note 18.

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

2.4 Cash flow statement

Amounts in EUR	2013	2012
Cash inflow		
Issuance of new bonds	0	1.239.545.000
Repayment of loans	24.000.000	2.034.400.000
Interest inflow	120.049.415	129.776.733
Decrease of cash pool balance (asset)	1.005.503	7.122.364
Total cash inflow	**145.054.918**	**3.410.844.097**
Cash outflow		
Redemption of maturing bonds	0	(679.200.000)
New allocation of loans	(24.000.000)	(2.607.554.790)
Interest outflow	(120.835.251)	(123.225.027)
Other outflows (SLA, rating fee, etc.)	(219.667)	(864.280)
Increase of cash pool balance	0	0
Total cash outflow	**(145.054.918)**	**(3.410.844.097)**
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	2013	2012
Opening balance at 1 January	10.343.743	17.466.107
Net cash flow	(1.005.503)	(7.122.364)
Closing balance at 31 December (note 17)	**9.338.240**	**10.343.743**

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 in Maastricht under 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 25 April 2014.

(2) Basis of accounting

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and also comply with the financial reporting requirements included in section 9 of Book 2 of the Netherlands Civil Code. 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 Financial Statements, are disclosed in note 11.

New developments in international accounting under IFRS s
The following Standards, changes to Standards and Interpretations are required to be applied on or after 1 January 2013:

	Required to be applied for financial years beginning on or after	Significance
Amendments to IAS 1 (Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income)	1 January 2013	relevant
Amendments to IAS 19 (Employee Benefits)	1 January 2013	irrelevant
Amendments to IAS 12 (Deferred Tax: Recovery of Underlying Assets)	1 January 2013	irrelevant
IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine)	1 January 2013	irrelevant
Amendments to IFRS 7 (Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities)	1 January 2013	relevant
Amendments to IFRS 1 (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters)	1 January 2013	irrelevant
Amendments to IFRS 1 (First-Time Adoption of IFRS Government Loans)	1 January 2013	irrelevant
IFRS 13 (Fair Value Measurement)	1 January 2013	relevant
Annual Improvements to IFRS 2009 – 2011 cycle	1 January 2013	relevant

New accounting pronouncements adopted by the EU but only required to be applied in future periods (the Company did not early adopt these).
The following Standards, changes to Standards and Interpretations have already been endorsed by the European Union. However, they will only be required to be applied in the future.

	Required to be applied for financial years beginning on or after	Significanc e
Amendments to IFRS 10, IFRS 11, IFRS 12: Transitional Provision	1 January 2014	irrelevant
Amendments to IAS 32 (Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities)	1 January 2014	relevant
IFRS 10 (Consolidated Financial Statements)	1 January 2014	irrelevant
IFRS 11 (Joint Arrangements)	1 January 2014	irrelevant
IFRS 12 (Disclosure of Interests in Other Entities)	1 January 2014	irrelevant
IAS 27 (Separate Financial Statements)	1 January 2014	relevant

	Required to be applied for financial years beginning on or after	Significanc e
IAS 28 (Investments in Associates and Joint Ventures)	1 January 2014	irrelevant
Amendments to IAS 36 (Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets)	1 January 2014	irrelevant
Amendments to IAS 39 (Novation of Derivatives and Continuation of Hedge Accounting)	1 January 2014	relevant

Management of the Company is in the process of evaluating the impact of the relevant Standards.

New accounting pronouncement not yet adopted by the EU.
The IASB and the IFRIC issued further Standards and Interpretations in financial year 2013 and in previous years whose application is not yet mandatory for financial year 2013. The application of these IFRS is dependent on their adoption by the EU.

	Required to be applied for financial years beginning on or after	Significanc e
IFRS 9 (Financial Instruments), amendments to IFRS 9 and IFRS 7 (Mandatory Effective Date and Transition Disclosures), amendments to IFRS 9, IFRS 7 and IAS 39 (Hedge accounting) and effective date	1 January 2018	relevant
IFRIC 21 (Levies)	1 January 2014	irrelevant
Amendments to IAS 19 (Employee Benefits – Defined Benefit Plans: Employee Contributions)	1 July 2014	irrelevant
Annual Improvements to IFRS S 2010 – 2012 Cycle	1 July 2014	relevant
Annual Improvements to IFRS S 2011 – 2013 Cycle	1 July 2014	relevant

Management of the Company is in the process of evaluating the impact of the relevant Standards.

(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*

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. 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.

IAS 39 classifies all financial assets into four categories:

- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

In the financial statements 2013 and 2012 all receivables have been classified as "Loans and receivables" and all derivatives as "Financial assets at fair value through profit or loss".

Financial instruments classified as loans and receivables, 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.

Derivatives have been classified as "Financial assets at fair value through profit or loss". Initial recognition and subsequent measurement are disclosed under note (9) "Derivative financial instruments and hedge accounting".

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. The Group first assesses whether objective evidence of impairment exists. 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.

(5) Cash pool receivables and payables

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 cash pool receivables or cash pool payables to related parties (and not shown as cash and cash equivalents).
cash pool receivables and payables are part of the financial instruments and classified as "Loans and receivables" or as "Other liabilities" (note 6).

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

Cash pool receivables or cash pool payables to related parties are carried at amortized cost.

(6) Financial liabilities

Financial liabilities are classified under IAS 39 in "Financial liabilities at fair value through profit or loss" and in "Other 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 included in the current liabilities except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities.

Derivative financial liabilities have been classified as "Financial liabilities at fair value through profit or loss". Initial recognition and subsequent measurement are disclosed under note (9) "Derivative financial instruments and hedge accounting".
The remaining liabilities are classified as "Other liabilities". They are subsequently carried at amortized cost by applying the effective interest method.
The fair values of the bonds are derived from published market prices. The fair values of the other non-current liabilities have been calculated by applying the discounted cash flow method.

Financial liabilities under fair value hedge accounting are including an adjustment for the fair value of the risk being hedged.

(7) *Provisions*

Provisions are recognized for all legal or constructive obligations to third parties existing at the balance sheet date that have arisen as a result of past events, that are expected to result in an outflow of future economic benefits and whose amount can be measured reliably.

(8) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(9) *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. This concerns the interest swaps and cross-currency interest rate 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 or expense.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a 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.

(10) 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 to amortise the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

(11) 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 continuously 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 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.
Changes in assumptions about these factors could affect reported fair value of financial instruments.

(12) *Financial risk management*

The capital managed by the company is fixed until existing bonds need to be redeemed or new bonds are being issued. In view of the Group's long term capital requirements, DP DHL established a Debt Issuance Programme with a volume of up to EUR 5 billion. Deutsche Post Finance B.V. is a possible issuer under the programme which offers the Company the possibility to issue bonds in customized tranches up to a stipulated total amount and enables it to react flexibly to changing market conditions.

The risk of default on loans granted to Deutsche Post DHL group companies is limited due to the financing support which, where circumstances require it, will be expressed by Deutsche Post AG to these group companies to support them in their ability to repay its liabilities towards Deutsche Post Finance B.V.
The equity of Deutsche Post Finance B.V. is not part of the managed capital of the Company and only reflects the profits and losses resulting from the core activities of the Company.

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 risks 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.

At 31 December 2013 fixed rate bonds with a total notional volume of EUR 2.176 million were outstanding, maturing in 2014, 2017 and 2022. The bonds are used to finance fixed rate USD 1.143 million loans to DP DHL Group companies 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.

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). Cash flow hedge accounting is applied to the synthetical cross-currency interest rate swap.

A total of EUR 763 million of the bonds maturing in 2014 has 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 763 million have been used to finance floating rate EUR loans to DP DHL Group companies which fall due in 2014.

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.
Cash flow hedge accounting is applied to these instruments.

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.

IFRS 7 requires a company to disclose a sensitivity analysis, showing how profit and loss and equity are affected by hypothetical changes in interest rates at the reporting date. For the sensitivity analysis concerning the impact on profit and loss all primary variable rate financial instruments and the floating rate leg of the interest rate swaps have been taken into consideration. If the market interest rates as at 31 December 2013 would have been 100 basis points higher, net financial income would have increased by EUR 8.000 (2012: 8.000). A 100 basis points decrease leads to the opposite effect (net financial income decreases by EUR 8.000).

For the sensitivity analysis concerning the impact on equity, all cash flow hedges have been considered. The change in market value of the EUR/USD fixed to fixed cross-currency interest rate swaps (cash flow hedge accounting) is insignificant assuming that the USD and EUR interest rates both move in parallel into the same direction. In such a scenario the change in market values of both legs would approximately offset each other. Therefore the equity impact is zero (2012: no impact).

Foreign exchange risk
Currency risks for the Company arise 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 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.

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 the 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 combination of interest rate swaps and cross-currency interest rate swaps (bond 2014) and the fair value of the cross-currency interest rate swap (bond 2017).

A 10 % appreciation of the Euro against USD would have changed the hedging reserve accounted for in equity by EUR 5,0 million (previous year: EUR 8,2 million). A devaluation of the Euro would have had the equal but 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.

The following picture shows the maturity structure of primary financial liabilities:

Maturity structure – undiscounted cash flows non-derivative financial instruments

31-12-2013

EUR (million)	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 *	(1.000)	(29)	(29)	(779)	(15)	(559)
Loans payable	(3)	0	0	0	0	0
	(1.003)	**(29)**	**(29)**	**(779)**	**(15)**	**(559)**

** interests are included*

31-12-2012

EUR (million)	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 *	(74)	(1.000)	(29)	(29)	(779)	(574)
Loans payable	0	(3)	0	0	0	0
	(74)	**(1.003)**	**(29)**	**(29)**	**(779)**	**(574)**

** interests are included*

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 – undiscounted cash flows derivative financial instruments

31-12-2013

EUR (million)	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 assets						
Cash inflows	225	17	17	767	0	0
Cash outflows	(171)	(18)	(18)	(703)	0	0
Derivative liabilities						
Cash inflows	15	15	15	15	15	59
Cash outflows	(9)	(9)	(12)	(15)	(17)	(74)

31-12-2012

EUR (million)	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 assets						
Cash inflows	73	159	31	31	781	74
Cash outflows	(40)	(109)	(28)	(30)	(747)	(81)
Derivative liabilities						
Cash inflows	1	81	0	0	0	0
Cash outflows	(4)	(78)	0	0	0	0

Credit risk

In general the Company only grants intra Group loans. The risk of default on loans granted to Deutsche Post DHL group companies is limited due to the financing support which, where

circumstances require it, will be expressed by Deutsche Post AG to these group companies to support them in their ability to repay its liabilities towards Deutsche Post Finance B.V.
All derivative assets are concluded with Deutsche Post AG.

(13) Long-term loans receivable

Movements during the financial year were as follows:

	2013	2012
	EUR	EUR
Opening balance at 1 January	2.130.702.928	917.883.391
New loans	24.000.000	2.500.811.290
Redemptions	(24.000.000)	(1.250.000.000)
Reclassified to short-term	(914.888.416)	0
Foreign currency translation differences	(30.488.053)	(37.991.753)
Balance at 31 December	1.185.326.459	2.130.702.928

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

	31-12-2013	31-12-2012
	EUR	EUR
Deutsche Post DHL Group related parties	1.185.326.459	2.130.702.928
	1.185.326.459	2.130.702.928

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

	31-12-2013	31-12-2012
	EUR	EUR
2014	0	914.888.416
2017	684.515.169	715.003.222
2022	500.811.290	500.811.290
	1.185.326.459	2.130.702.928

In June 2012, a USD-loan was granted to DPWN Holdings (USA), Inc for an amount of USD 943.125.000 and an interest rate of 2,647 %. The loan matures in 2017.
In October 2012, new loans for an amount totalling EUR 500.811.290 were granted to other Deutsche Post DHL Group related parties. All loans mature in 2022.

None of the long-term loans receivables have matured or are past due.
None of the long-term loans receivables are impaired.

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

	31-12-2013	31-12-2012
EUR	1,90 %	1,35 % - 1,82 %
USD	2,65 %	2,65 % - 5,55 %

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

Carrying amounts		Fair values	
31-12-2013	31-12-2012	31-12-2013	31-12-2012
EUR	EUR	EUR	EUR
1.185.326.459	2.130.702.928	1.257.948.924	2.232.623.161

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:

	31-12-2013	31-12-2012
	EUR	EUR
EUR	500.811.290	1.264.075.431
USD	684.515.169	866.627.497
	1.185.326.459	2.130.702.928

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

	31-12-2013	31-12-2012
	EUR	EUR
Floating rate loans	500.811.290	1.264.075.431
Fixed rate loans	684.515.169	866.627.497
	1.185.326.459	2.130.702.928

(14) *Derivative financial instruments and hedging*

Derivative financial instruments

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

Fair values	31-12-2013	31-12-2012
	EUR	EUR
Interest rate swaps (negative value)	(1.386.542)	0
Interest rate swaps (positive value)	41.167.970	89.379.555
Cross-currency interest rate swaps (negative value)	0	(136.303)
Cross-currency interest rate swaps (positive value)	82.431.270	41.800.485
Total FV of all derivative financial instruments	122.212.698	131.043.737

The positive market values of interest rate swaps and cross currency interest rate swaps are included in the non-current assets as well as in the current assets.
The negative market values of the interest rate swaps are included in the long term liabilities.

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.

Notional amounts:

	31-12-2013	31-12-2012
	EUR	EUR
Interest rate swaps	1.425.800.000	1.425.800.000
Cross-currency interest rate swaps	912.535.859	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 the fixed interest Euro-denominated bond maturing in 2014. 82.4 % of the notional amount of these fixed to floating interest rate swaps is accounted for as a fair value hedge. The positive fair values of these fixed to floating interest rate swaps amounts to EUR 33.922.407 [2012: EUR 76.779.129].
A further 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 negative fair value of this fixed to floating interest rate swap amounts to EUR – 1.386.542 [2012: positive fair value of EUR 12.600.425]

Cash flow hedges

Cash flow hedges are 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 a combination between an interest rate swap and a cross currency swap. In the present case a cross-currency interest rate swap with a notional amount of USD 200.000.000 has been aligned with 17,6 % of the notional amount of the fixed to floating interest rate swap maturing in 2014 for hedge accounting purpose. These synthetical cross-currency interest rate swaps hedge the currency risk, and their fair values as at 31 December, 2013 amounted to EUR 21.432.644 [2012: EUR 1.590.141]. These loans mature in 2014.

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 new cross-currency interest rate swap amounts to EUR 68.244.190 at balance sheet date [2012 : EUR 40.074.041].

(15) Short-term loans receivable

Movements during the financial year were as follows:

	2013	**2012**
	EUR	EUR
Opening balance at 1 January	0	679.200.000
New loans	0	78.400.000
Redemptions	0	(757.600.000)
Reclassified from long-term loans receivable	914.888.416	0
Foreign currency translation differences	(6.465.326)	0
Balance at 31 December	908.423.090	0

All of the short-term loans receivable have matured.
None of the short-term loans receivable are impaired.

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

	31-12-2013	**31-12-2012**
	EUR	EUR
Deutsche Post DHL Group companies	908.423.090	0
	908.423.090	0

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

	31-12-2013	31-12-2012
EUR	0,99 %	Not applicable
USD	5,29 % - 5,55 %	Not applicable

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

Carrying amounts		Fair values	
31-12-2013	31-12-2012	31-12-2013	31-12-2012
EUR	EUR	EUR	EUR
908.423.090	0	908.423.090	0

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:

	31-12-2013	31-12-2012
	EUR	EUR
EUR	763.264.141	0
USD	145.158.949	0
	908.423.090	0

(16) Short-term receivables from affiliated companies

Short-term receivables represent interest receivables.

	31-12-2013	31-12-2012
	EUR	EUR
Interest receivable from Deutsche Post DHL Group companies	14.749.835	16.234.107

(17) *Cash pool receivables*

Short-term receivables represent cash pool balances from Deutsche Post AG.

	31-12-2013	31-12-2012
	EUR	EUR
Cash pool receivables – Deutsche Post AG	9.338.240	10.343.743

(18) *Shareholders' equity*

Share capital
The authorized share capital of the Company as at 31 December 2013 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.

	31-12-2013	31-12-2012
	EUR	EUR
Opening balance at 1 January	6.475.846	126.957
Additions	0	5.981.452
Releases	(5.146.668)	0
Recognition in income statement	2.123.005	367.437
Balance at 31 December	3.452.183	6.475.846

The cash flow hedge reserve as per 31 December 2013 amounting to EUR 3.452.183 is considered a legal reserve and not freely distributable.

(19) Bonds – long term and short 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 %.

Bond 2012 was repaid in October 2012.

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.

On 25 June, 2012 the Company issued EUR 750.000.000, 1,875% bonds of 2012/2017 with an issue price of 99,467% (Bond 2017) and EUR 500.000.000, 2,95% bonds of 2012/2022 with an issue price of 99,471% (Bond 2022).

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

Nominal amounts:

Bonds	**31-12-2013**	**31-12-2012**
	EUR	EUR
Bond 2014	925.800.000	925.800.000
Bond 2017	750.000.000	750.000.000
Bond 2022	500.000.000	500.000.000
	2.175.800.000	2.175.800.000

	31-12-2013	**31-12-2012**
	EUR	EUR
The maturity of the bonds as reported at year end is:		
< 1 year, nominal value	925.800.000	0
1 – 5 years, nominal value	750.000.000	925.800.000
> 5 years, nominal value	500.000.000	1.250.000.000
	2.175.800.000	2.175.800.000

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

Bonds	31-12-2013	31-12-2012
	EUR	EUR
Bond 2014	925.766.829	925.387.440
Bond 2017	745.497.784	744.069.462
Bond 2022	495.980.064	495.454.136
	2.167.244.677	2.164.911.038

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

Bonds	31-12-2013	31-12-2012
	EUR	EUR
Bond 2014	928.331.872	958.934.448
Bond 2017	745.497.784	744.069.462
Bond 2022	487.147.588	504.757.338
	2.160.977.244	2.207.761.248

The fair values of the bonds are as follows:

Bonds	31-12-2013	31-12-2012
	EUR	EUR
Bond 2014	928.521.852	968.359.026
Bond 2017	767.347.500	775.957.500
Bond 2022	516.000.000	527.885.000
	2.211.869.352	2.272.201.526

The effective interest rates, taking into account the effect of interest rate swaps were as follows:

Bond	31-12-2013	31-12-2012
Bond 2014	0,9074%	1,2471%
Bond 2017	2,0613%	2,0613%
Bond 2022	1,7304%	1,6558%

(20) *Long-term loans payable*

The long-term liabilities due to Deutsche Post AG are as follows:

	31-12-2013	31-12-2012
	EUR	EUR
Deutsche Post AG	0	3.313.000

	31-12-2013	31-12-2012
	EUR	EUR
The fair value of the long-term loan payable is:	0	3.628.599

The long-term loan payable was reclassified to the short-term loan payable.

(21) *Other current provision*

The provision for outstanding obligations for the bond issues amounting to EUR 261.450 was reclassified to the bonds as no further costs are expected.

(22) *Short-term loans payable*

	31-12-2013	31-12-2012
	EUR	EUR
Deutsche Post AG	3.313.000	0

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

(23) Accrued interest

	31-12-2013	31-12-2012
	EUR	EUR
Accrued interest payable to bondholders	56.187.127	56.352.263

(24) Other current liabilities and accruals

The breakdown of accruals and deferred income is as follows:

	31-12-2013	31-12-2012
	EUR	EUR
Other accruals	15.064	13.552
Received upfront fee bonds	970	12.066
	16.034	25.618

The Company received an upfront compensation payment for the discount on the bond issued in 2003 from Deutsche Post AG. This compensation has been recorded in deferred income and is recognized on the effective interest rate method of amortization.

All balances stated above fall due within 1 year.

(25) 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:

	2013	2012
	EUR	EUR
Interest income on loans to Deutsche Post DHL Group companies	44.391.757	48.298.471
Interest expenses from cross-currency swaps (Deutsche Post AG)	(6.569.278)	(5.530.701)
	37.822.479	42.767.770

(26) *Interest expenses*

Interest expenses due on bonds can be specified as follows:

	2013	2012
	EUR	EUR
Interest expenses (fixed) Bond 2012	0	(26.416.693)
Interest expenses (fixed) Bond 2014	(45.122.615)	(45.142.885)
Interest expenses (fixed) Bond 2017	(14.062.500)	(7.629.776)
Interest expenses (fixed) Bond 2022	(14.750.000)	(7.637.450)
Interest income from interest rate swaps related to Bond 2012	0	18.427.346
Interest income from interest rate swaps related to Bond 2014	36.872.850	29.557.942
Interest income from interest rate swaps related to Bond 2022	6.880.458	1.539.887
Amortization of the bond discount and issue costs and release of upfront compensation payment (deferred income)	(2.063.351)	(1.497.062)
Guarantee provision	(1.712.796)	(1.368.193)
Interest expenses DPAG loan	(165.613)	(230.262)
Interest income/expenses cross-currency interest rate swaps (Deutsche Post AG)	(2.100.903)	(1.116.251)
	(36.224.470)	(41.513.397)

(27) *Other gains and losses*

	2013	2012
	EUR	EUR
Gain/(losses) from fair valuation of interest rate swaps	(49.155.476)	(22.027.348)
Gain/(losses) from foreign exchange differences	(37.009.742)	(38.340.061)
Gain/(losses) from hedge ineffectiveness	569.810	(183.003)
Gain/(losses) from fair valuation of cross-currency interest rate swaps	37.009.742	38.340.061
Gain/(losses) from valuation of bonds (interest related)	49.155.476	22.027.348
	569.810	(183.003)

The gains and losses from foreign exchange differences result from the translation of loans denominated in foreign currencies.

(28) *Other operating expenses*

	2013	2012
	EUR	EUR
Legal, consulting and audit fees	(65.280)	(128.754)
Other administrative expenses	(95.205)	(144.214)
	(160.485)	(272.968)

(29) *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.

(30) *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 used by the Company.

Reconciliation of carrying amounts in the balance sheet as at 31 December 2013

31-12-2013 EUR	Carrying amount	Loans and receivables	Other liabilities	Derivatives designated as hedging instrument
Assets				
Non-current assets	**1.253.570.649**			
Long-term loans receivable				
At amortized cost	1.185.326.459	1.185.326.459		
Non-current derivatives positive FV				
At fair value	68.244.190			68.244.190
Current assets	**987.904.898**			
Short-term loans receivables				
At amortized cost	908.423.090	908.423.090		
Short-term receivables from affiliated companies				
At amortized cost	14.749.835	14.749.835		
Cash Pool receivables				
At amortized cost	9.338.240	9.338.240		
Other receivables				
At amortized cost	38.683	38.683		
Current derivatives positive FV				
At fair value	55.355.050			55.355.050
Total assets	**2.241.475.548**	**2.117.876.307**		**123.599.241**

31-12-2013 EUR	Carrying amount	Loans and receivables	Other liabilities	Derivatives designated as hedging instrument
Liabilities				
Long-term liabilities	**(1.234.031.914)**			
Bonds long-term				
At amortized cost	(1.232.645.372)		(1.232.645.372)	
Long-term loans payable				
At amortized cost	(0)		(0)	
Non-current derivatives negative FV				
At fair value	(1.386.542)			(1.386.542)
Short-term liabilities	**(987.848.033)**			
Bonds short-term				
At amortized cost	(928.331.872)		(928.331.872)	
Accrued interest				
At amortized cost	(56.187.127)		(56.187.127)	
Other current liabilities and accruals				
At amortized cost	(16.034)		(16.034)	
Short-term payables				
At amortized cost	(3.313.000)		(3.313.000)	
Total liabilities	**(2.221.879.947)**		**(2.220.493.405)**	**(1.386.542)**

Reconciliation of carrying amounts in the balance sheet as at 31 December 2012

31-12-2012 EUR	Carrying amount	Loans and receivables	Other liabilities	Derivatives designated as hedging instrument
Assets				
Non-current assets	**2.261.882.968**			
Long-term loans receivable				
At amortized cost	2.130.702.928	2.130.702.928		
Non-current derivatives positive FV				
At fair value	131.180.040			131.180.040
Current assets	**26.578.844**			
Short-term loans receivables				
At amortized cost				
Short-term receivables from affiliated companies				
At amortized cost	16.234.107	16.234.107		
Cash Pool receivables				
At amortized cost	10.343.743	10.343.743		
Other receivables				
At amortized cost	994	994		
Current derivatives positive FV				
At fair value				
Total assets	**2.288.461.812**	**2.157.281.772**		**131.180.040**

31-12-2012

EUR	Carrying amount	Loans and receivables	Other liabilities	Derivatives designated as hedging instrument
Liabilities				
Long-term liabilities	**(2.211.210.551)**			
Bonds long-term				
At amortized cost	(2.207.761.248)		(2.207.761.248)	
Long-term loans payable				
At amortized cost	(3.313.000)		(3.313.000)	
Non-current derivatives negative FV				
At fair value	(136.303)			(136.303)
Short-term liabilities	**(56.377.881)**			
Bonds short-term				
At amortized cost				
Accrued interest				
At amortized cost	(56.352.263)		(56.352.263)	
Other current liabilities and accruals				
At amortized cost	(25.618)		(25.618)	
Short-term payables				
At amortized cost				
Total liabilities	**(2.267.588.432)**		**(2.267.452.129)**	**(136.303)**

If there is an active market for a financial instrument (e.g., stock exchange), the fair value is determined by reference to the market or quoted exchange price at the balance sheet date. If no fair value is available in an active market, the quoted prices in an active market for similar instruments or recognized valuation techniques are used to determine the fair value. The valuation techniques used incorporate the key factors determining the fair value of the financial instruments using validation parameters that are derived from the market conditions as at the balance sheet date. Counterparty risk is analyzed on the basis of the current credit default swaps signed by the counterparties.

Short-term loans receivables, short-term receivables from affiliated companies, other receivables, accrued interest, other current liabilities and accruals and short-term payables have predominantly short remaining maturities. As a result, their carrying amounts as at reporting date are approximately equivalent to their fair values.

The following table presents the classes of financial instruments recognized at fair value and not recognized at fair value by level in the fair value hierarchy to which they are assigned:

Financial assets and liabilities: 2013

EUR	Level 1	Level 2	Level 3	Total
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**

EUR	Level 1	Level 2	Level 3	
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 market prices
Level 2: measurement using key inputs based on observable market data
Level 3: measurement using key inputs not based on observable market data

Financial assets and liabilities: 2012

EUR	Level 1	Level 2	Level 3	Total
Non-current assets	0	2.363.803.201	0	2.363.803.201
Current assets	0	26.578.844	0	26.578.844
Total assets	**0**	**2.390.382.045**	**0**	**2.390.382.045**

EUR	Level 1	Level 2	Level 3	Total
Long-term liabilities	(2.272.201.526)	(3.449.303)	0	(2.275.650.829)
Short-term liabilities	0	(56.377.881)	0	(56.377.881)
Total liabilities	**(2.272.201.526)**	**(59.827.184)**	**0**	**(2.332.028.710)**

Level 1: quoted market prices
Level 2: measurement using key inputs based on observable market data
Level 3: measurement using key inputs not based on observable market data

Level 2 includes interest rate and currency derivatives. The fair values of these derivatives are measured on the basis of discounted expected future cash flows, taking into account forward rates for currencies and interest rates. For this purpose, price quotations observable on the market are imported from information platforms customary in the market into the treasury management system. The price quotations reflect actual transactions involving similar instruments on a active market.

No financial instruments were transferred between levels in financial year 2013 and the previous year.

Financial assets and liabilities are set off on the basis of netting agreements (master netting agreements) only if an enforceable right of set-off exits 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.

(31) *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 2013.

(32) *Related party transactions*

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

(33) *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.

(34) *Director's remuneration*

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

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

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

(35) *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 head of the fiscal unity.

(36) *Independent auditors fees*

The following fees for services rendered by the independent auditor of the Company's Financial Statements, PricewaterhouseCoopers Accountants N.V., in the financial year 2013 and in the preceding financial year, were recognised as expense:

	2013	2012
	EUR	EUR
Independent auditors fees	48.125	48.125

(37) 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, 25 April 2014

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 2013

	2013
	EUR
Gain for the year	2.007.334

The Management Board proposes to transfer the profit for the year 2013 to retained earnings.

3.3 Post balance sheet events

In January 2014, Bond 2014 was repaid.

Copy

Independent auditor's report

To the general meeting of Deutsche Post Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 as set out on pages 7 to 41 of Deutsche Post Finance B.V., Maastricht, which comprise the balance sheet as at 31 December 2013, the statement 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's responsibility

Management 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 report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management 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 management, 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.

PricewaterhouseCoopers Accountants N.V., Amerikalaan 100a, 6199 AE Maastricht-Airport, P.O. Box 311, 6199 ZN Maastricht-Airport, The Netherlands
T: +31 (0) 88 792 00 43, F: +31 (0) 88 792 94 03, www.pwc.nl

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 2013, 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 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 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.

Maastricht-Airport, 25 April 2014
PricewaterhouseCoopers Accountants N.V.

Original has been signed by R.W.J.M. Dohmen RA