

WHAT WE ACHIEVED IN THE FIRST HALF OF 2015

In the first half of 2015, Deutsche Post DHL Group increased revenue in all divisions, in some cases significantly. Positive currency effects were mainly responsible for the improvement. The German parcel business in the Post - eCommerce - Parcel division and the international business in the Express division continued to generate dynamic growth. As expected, earnings were impacted adversely by costs for turnaround measures in the Global Forwarding, Freight division and by accelerated restructuring costs in the Supply Chain division. Earnings in the Post - eCommerce - Parcel division suffered from the effects of the strike in Germany.

WHAT WE INTEND TO ACHIEVE BY THE END OF THE YEAR 2015

After accounting for the effects of the strike in the Post - eCommerce - Parcel division, we now expect consolidated EBIT to reach between €2.95 billion and €3.10 billion in financial year 2015. The Post - eCommerce - Parcel division is now projected to contribute at least €1.2 billion to that figure. Compared with the previous year, we continue to expect an additional improvement in overall earnings to €2.1 billion to €2.25 billion in the DHL divisions. As expected, EAC will generally perform in line with consolidated EBIT. Free cash flow is expected to at least cover the dividend payment made in May.

ANNUAL GENERAL MEETING



With the equivalent of 99.81% of the company's share capital present, the Annual General Meeting on 27 May 2015 resolved to pay an increased dividend of €0.85 per share. This was paid on the following day.

EVENTS 2015/2016

11 NOV.	Interim Report January to September 2015
9 MARCH	2015 Annual Report
11 MAY	Interim Report January to March 2016

JANUARY TO JUNE 2015


01 SELECTED KEY FIGURES

		H1 2014 adjusted ¹	H1 2015	+/- %	Q2 2014 adjusted ¹	Q2 2015	+/- %
Revenue	€ m	27,264	29,467	8.1	13,695	14,700	7.3
Profit from operating activities (EBIT)	€ m	1,383	1,257	-9.1	656	537	-18.1
Return on sales ²	%	5.1	4.3	-	4.8	3.7	-
EBIT after asset charge (EAC)	€ m	683	480	-29.7	303	148	-51.2
Consolidated net profit for the period ³	€ m	963	821	-14.7	461	326	-29.3
Free cash flow	€ m	-140	-310	<-100	208	67	-67.8
Net debt ⁴	€ m	1,499	2,989	99.4	-	-	-
Earnings per share ⁵	€	0.80	0.68	-15.0	0.38	0.27	-28.9
Number of employees ⁶		488,824	493,207	0.9	-	-	-

¹  Note 4.

² EBIT/revenue.

³ After deduction of non-controlling interests.

⁴ Prior-period amount as at 31 December, for the calculation  page 11 of the Interim Group Management Report.

⁵ Basic earnings per share.

⁶ Including trainees. Headcount at the end of the second quarter; prior-period amount as at 31 December.

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Dr Frank Appel

Chief Executive Officer
Deutsche Post AG

Deutsche Post DHL
Group

5 August 2015

First half of 2015

Dear Shareholders,

In recent months, we have taken considerable further steps to position our business for long-term Group success as foreseen by our Strategy 2020.

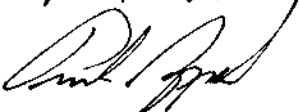
In July, we reached a sustainable wage agreement with the trade union ver.di for the more than 130,000 employees of Deutsche Post AG. The agreement gives us planning certainty until January 2018, which is a key prerequisite for continuing to expand our German parcel business.

In the Global Forwarding, Freight division, the new management has initiated turnaround measures to quickly improve operating performance. In the Supply Chain division, the planned restructuring is going ahead even faster. In order to further strengthen the positive performance of the Express business over the long term, we have stepped up investments in the division's already comprehensive network.

All of these endeavours impacted our earnings in the first half of the year. We have nonetheless succeeded in increasing revenue in all divisions, in some cases significantly, despite the sluggishness of the global economy. Positive currency effects contributed to the revenue growth.

We have adjusted our full-year guidance for 2015: after accounting for the effects of the strike in the Post - eCommerce - Parcel division, we now expect consolidated EBIT to reach between €2.95 billion and €3.10 billion for full-year 2015. The Post - eCommerce - Parcel division is now projected to contribute at least €1.2 billion to that figure. For the DHL divisions, we continue to expect an additional improvement in overall earnings compared with the previous year to €2.1 billion to €2.25 billion. For 2016, we are reconfirming the earnings forecast that we presented in August 2014.

We are confident that we are on the right track and we have put in place key elements of the necessary groundwork. One thing is clear, however, 2015 will remain a year of transition and of preparation for the future.

Yours faithfully,


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GENERAL INFORMATION

Organisation

Roger Crook has stepped down from the Board of Management

On 27 April 2015, Roger Crook stepped down from the Board of Management. Until the appointment of a new board member for the Global Forwarding, Freight division, Deutsche Post DHL Group's CEO, Dr Frank Appel, has taken over the corresponding tasks in a dual role.

Research and development

No research and development in the narrower sense

As a service provider, Deutsche Post DHL Group does not engage in research and development activities in the narrower sense and therefore has no significant expenses to report in this connection.

REPORT ON ECONOMIC POSITION

Overall Board of Management assessment of the economic position

Earnings impacted adversely

In the first half of 2015, Deutsche Post DHL Group increased revenue in all divisions, in some cases significantly. Positive currency effects were mainly responsible for the improvement. The German parcel business in the Post - eCommerce - Parcel (PeP) division and the international business in the Express division continued to generate dynamic growth. As expected, earnings were impacted adversely by costs for turnaround measures in the Global Forwarding, Freight division and by accelerated restructuring costs in the Supply Chain division. The PeP division's earnings suffered from the effects of the strike in Germany. All in all, consolidated net profit for the period and free cash flow thus declined significantly from the prior-year level. The Board of Management continues to assess the Group's financial position as solid.

 Post - eCommerce - Parcel division, page 13 f.

Economic parameters

Diverging trends in the global economy

During the first half of the year, the global economy experienced cautious growth with regional variations. The economy in the industrial countries accelerated somewhat compared with the previous year, in contrast to the slowdown of growth in the emerging markets. The differences within the two groups remained substantial in light of the significant impact of low commodity prices and the strong us dollar.

Growth in the Asian countries was generally robust in the first half of 2015. Growth in the Chinese economy declined, however. Exports were nearly stagnant and growth in industrial production fell back significantly. Gross domestic product (GDP) rose by only 7.0% in the first half. Since the middle of June, economic data and inconsistent policymaking have led to considerable price drops in the Chinese stock market. In Japan, however, growth accelerated sharply. Demand rose on the back of low oil prices and the depreciation of the yen. Exports, capital expenditure and private consumption increased noticeably.

The United States saw only very cautious economic growth. Although the economy improved in the second quarter compared with the start of the year, momentum was weak. Exports suffered from the strong US dollar. However, the sustained upwards trend on the labour market led the unemployment rate to fall to its lowest level in seven years. The US Federal Reserve kept its key interest rate at between 0% and 0.25% in order to boost the economy and the labour market.

The eurozone economy continued to recover. Growth was due primarily to increases in private consumption, which benefitted from greater purchasing power thanks to lower oil prices and the slight upturn on the labour market. Companies increased investment in machinery and equipment. However, growth was impeded by foreign trade. Due to the significant drop in the price of oil, inflation remained at a very low level in the first half of the year. The European Central Bank kept its key interest rate at 0.05% and began an extensive bond buying programme.

Germany sustained its upwards economic trend in the first half, due largely to the significant increase in private consumption based on rapid growth in real incomes. Capital expenditure also increased. The positive economic trend had a beneficial effect on the labour market and unemployment continued to fall. However, corporate sentiment weakened due to the poor global economy and the Greek crisis. The Ifo German Business Climate Index has now decreased twice consecutively.

Significant events

No significant events

In the first quarter of 2015 there were no events that materially affected the Group's net assets, financial position and results of operations.

Results of operations

02 Selected indicators for results of operations

		H1 2014 adjusted ¹	H1 2015	Q2 2014 adjusted ¹	Q2 2015
Revenue	€m	27,264	29,467	13,695	14,700
Profit from operating activities (EBIT)	€m	1,383	1,257	656	537
Return on sales ²	%	5.1	4.3	4.8	3.7
EBIT after asset charge (EAC)	€m	683	480	303	148
Consolidated net profit for the period ³	€m	963	821	461	326
Earnings per share ⁴	€	0.80	0.68	0.38	0.27

¹ Note 4.

² EBIT/revenue.

³ After deduction of non-controlling interests.

⁴ Basic earnings per share.

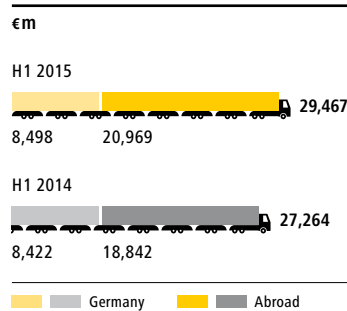
Changes in reporting and sale of equity investments

Since all joint ventures, associates and other equity investments held by Deutsche Post DHL Group operate in the Group's core business, we have reported the income and expenses of these investments under profit from operating activities (EBIT) since December 2014. They had previously been included in net financial income/net finance costs. The prior-period amounts have been adjusted.

In the second quarter of 2015, we sold shares in two property development companies in the United Kingdom, King's Cross Central Property Trust and King's Cross Central General Partner Ltd., which were held by the Supply Chain division.

In May, we sold 4.16% of our shares in Sinotrans Ltd., China, which were held by the Global Forwarding, Freight division.

03 Consolidated revenue



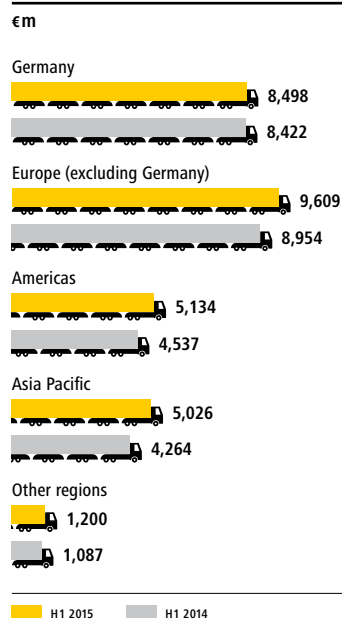
Consolidated revenue up significantly on prior year

At €29,467 million, consolidated revenue was up by €2,203 million in the first half of 2015; this was due mainly to positive currency effects, which increased this item by €1,841 million. The proportion of revenue generated abroad rose in line with this from 69.1% in the previous year to 71.2%. Since the portfolio did not change in the reporting period, no adjustments were necessary.

The €1,005 million rise in revenue to €14,700 million in the second quarter of 2015 was again driven to a significant extent by positive currency effects, which increased this item by €923 million.

Other operating income rose from €936 million to €1,181 million. This includes gains of €173 million on the disposal of shares in King's Cross and Sinotrans. In addition, the weak euro led to higher income from currency translation.

04 Revenue by region



Higher materials expense

Materials expense rose by €1,407 million to €16,647 million. This was due in particular to an increase in transport costs, which was caused primarily by exchange rate movements.

Staff costs rose by €838 million to €9,886 million, also mainly because of exchange rate movements. In addition, there was a rise in the number of employees in the Group.

There was a significant 12.4% decrease in depreciation, amortisation and impairment losses from €736 million in the previous year to €645 million; the prior-year figure had included impairment losses on aircraft of €104 million. This position was also reduced in the reporting period by the decision taken in 2014 to extend the useful lives of some non-current assets in the PeP division, offset by currency effects.

At €2,214 million, other operating expenses were up significantly on the previous year (€1,796 million), driven in particular by currency translation expenses.

05 Changes in revenue, other operating income and operating expenses, H1 2015

	€m	%	
Revenue	29,467	8.1	<ul style="list-style-type: none"> • Growth trends in the German parcel and international express businesses remain intact • Strongly positive currency effects
Other operating income	1,181	26.2	<ul style="list-style-type: none"> • Includes gains on the sale of equity investments • Significant rise in income from currency translation
Materials expense	16,647	9.2	<ul style="list-style-type: none"> • Rise in transport costs mainly due to exchange rate movements
Staff costs	9,886	9.3	<ul style="list-style-type: none"> • Increase mainly due to exchange rate movements • Greater number of employees
Depreciation, amortisation and impairment losses	645	-12.4	<ul style="list-style-type: none"> • Previous year included impairment losses on aircraft of €104 million
Other operating expenses	2,214	23.3	<ul style="list-style-type: none"> • Rise in currency translation expenses

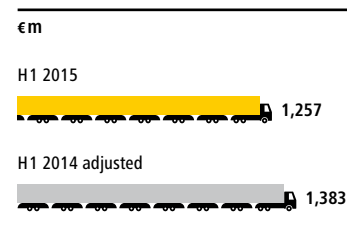
Consolidated EBIT down 9.1%

At €1,257 million, profit from operating activities (EBIT) in the first half of 2015 was down 9.1% on the previous year (€1,383 million). In the second quarter, EBIT decreased from €656 million to €537 million.

Net finance costs, on the other hand, improved from €177 million to €165 million, mainly because low interest rates led to a decline in finance costs.

At €1,092 million, profit before income taxes for the reporting period was down €114 million on the previous year (€1,206 million). Income taxes declined by €13 million to €180 million despite a slight rise in the tax rate.

06 Consolidated EBIT

**Decline in consolidated net profit for the period**

Consolidated net profit for the period decreased from €1,013 million to €912 million in the reporting period. Of this amount, €821 million is attributable to shareholders of Deutsche Post AG and €91 million to non-controlling interest holders. Likewise, basic earnings per share declined from €0.80 to €0.68 and diluted earnings per share from €0.77 to €0.65.

EBIT after asset charge decreases due to foreign exchange movements

EBIT after asset charge (EAC) declined from €683 million to €480 million in the first half of 2015, primarily because the imputed asset charge increased by 11.0% due to foreign exchange movements and investments.

07 EBIT after asset charge (EAC)

€m	H1 2014 adjusted ¹	H1 2015	+/- %
EBIT	1,383	1,257	-9.1
■ Asset charge	-700	-777	-11.0
■ EAC	683	480	-29.7

¹ ■ Note 4.

Financial position

08 Selected cash flow indicators

€m	H1 2014 adjusted ¹	H1 2015	Q2 2014 adjusted ¹	Q2 2015
Cash and cash equivalents as at 30 June	1,882	1,813	1,882	1,813
Change in cash and cash equivalents	-1,408	-1,209	-573	-782
Net cash from operating activities	567	345	483	266
Net cash used in/from investing activities	-23	-472	-18	29
Net cash used in financing activities	-1,952	-1,082	-1,038	-1,077

¹  Note 4.

 dpdhl.com/en/investors

Liquidity situation remains solid

The principles and aims of our financial management as presented in the 2014 Annual Report on page 50 remain valid and continue to be pursued as part of our finance strategy. The low level of net cash used in investing activities in the first half of the previous year resulted primarily from the liquidation of short-term financial investments. The high level of net cash used in financing activities in the first half of 2014 was due to the scheduled repayment of a bond in January 2014.

As expected, the FFO to debt performance metric decreased in the first half of 2015, primarily because debt increased. Along with higher operating lease obligations, the main reason for the increase in debt was the decrease in surplus cash and near-cash investments resulting from the annual pension prepayment to the *Bundesanstalt für Post und Telekommunikation* (German federal post and telecommunications agency) as well as the dividend paid out for financial year 2014. By contrast, the adjustment for pensions declined in the reporting period. The decrease resulted above all from the significant drop in pension obligations due to higher discount rates. The amount of interest paid decreased, mainly because we unwound interest rate swaps for bonds and therefore generated interest income.

Our credit quality as rated by Moody's Investors Service (Moody's) and Fitch Ratings (Fitch) has not changed from the ratings of "A3" and "BBB+", respectively, as described in the 2014 Annual Report beginning on page 53. The stable outlooks issued by both rating agencies are also still applicable. In view of our solid liquidity, the five-year syndicated credit facility with a total volume of €2 billion was not drawn down during the reporting period. As at 30 June 2015, the Group had cash and cash equivalents of €1.8 billion.

 dpdhl.com/en/investors

09 FFO to debt

€m	1 Jan. to 31 Dec. 2014	1 July 2014 to 30 June 2015
Operating cash flow before changes in working capital	3,061	2,611
+ Interest received	45	40
- Interest paid	188	75
+ Adjustment for operating leases	1,283	1,347
+ Adjustment for pensions	122	306
+ Non-recurring income/expenses	74	115
Funds from operations (FFO)	4,397	4,344
Reported financial liabilities ¹	5,169	5,278
- Financial liabilities at fair value through profit or loss ¹	145	152
+ Adjustment for operating leases ¹	5,953	6,244
+ Adjustment for pensions ¹	7,174	5,939
- Surplus cash and near-cash investments ^{1,2}	2,256	789
Debt	15,895	16,520
FFO to debt (%)	27.7	26.3

¹ As at 31 December 2014 and 30 June 2015, respectively.

² Surplus cash and near-cash investments are defined as cash and cash equivalents and investment funds callable at sight, less cash needed for operations.

Capital expenditure above prior-year level

The Group's capital expenditure (capex) was €695 million at the end of June 2015, which reflects a 36.0% increase on the prior year's figure of €511 million. Funds were used mainly to replace and expand assets as follows: €575 million was invested in property, plant and equipment and €120 million in intangible assets excluding goodwill. Investments in property, plant and equipment related to advance payments and assets under development (€367 million), IT equipment (€53 million), transport equipment (€38 million), technical equipment and machinery (€33 million), operating and office equipment (€33 million), land and buildings (€32 million) and aircraft (€19 million).

10 Capex and depreciation, amortisation and impairment losses, H1

	PeP		Express		Global Forwarding, Freight		Supply Chain		Corporate Center/ Other		Consolidation ¹		Group	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Capex (€m)	100	191	124	229	82	74	127	136	78	64	0	1	511	695
Depreciation, amortisation and impairment losses (€m)	177	154	282	185	43	44	128	149	106	114	0	-1	736	645
Ratio of capex to depreciation, amortisation and impairment losses	0.56	1.24	0.44	1.24	1.91	1.68	0.99	0.91	0.74	0.56	-	-	0.69	1.08

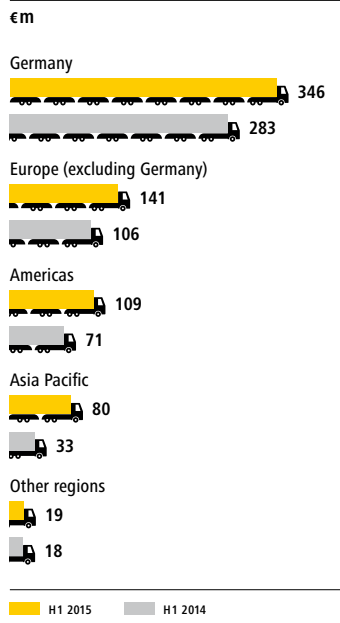
¹ Including rounding.

11 Capex and depreciation, amortisation and impairment losses, Q2

	PeP		Express		Global Forwarding, Freight		Supply Chain		Corporate Center/ Other		Consolidation ¹		Group	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Capex (€m)	62	127	85	154	60	34	62	63	66	42	0	1	335	421
Depreciation, amortisation and impairment losses (€m)	84	78	193	94	21	21	64	76	53	57	0	0	415	326
Ratio of capex to depreciation, amortisation and impairment losses	0.74	1.63	0.44	1.64	2.86	1.62	0.97	0.83	1.25	0.74	-	-	0.81	1.29

¹ Including rounding.

12 Capex by region



Capital expenditure in the Post - eCommerce - Parcel division increased from €100 million in the prior year to €191 million in the reporting period, due mainly to an increase in production capex. Investment spending flowed predominantly into the German parcel network and the expansion of international parcel activities.

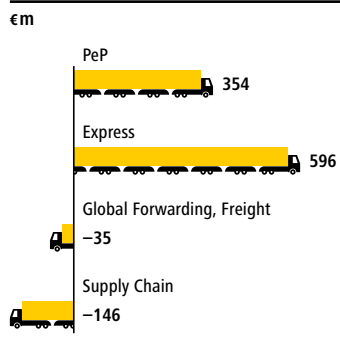
In the Express division, capital expenditure totalled €229 million in the first half of 2015 (previous year: €124 million). Our investments focused on maintaining and refurbishing our aircraft fleet as well as on continuing to expand our hubs in Leipzig, Cincinnati, Singapore and Brussels.

In the Global Forwarding, Freight division, a total of €74 million was invested in the first half of 2015 (previous year: €82 million). Of that figure, €63 million was attributable to the Global Forwarding business unit. In addition to investments in IT, we also modernised and refurbished warehouses and office buildings across all regions. A total of €11 million was invested in the Freight business unit, mainly for real estate, intangible assets and technical equipment.

In the Supply Chain division, capital expenditure amounted to €136 million in the reporting period (previous year: €127 million). Of that amount, €112 million related to the Supply Chain business unit, €11 million to Williams Lea and €13 million to central entities. Around 55% of the funds were used to support new business. The majority of the expenditure on new customer projects was in the Americas region, notably in the Consumer and Retail sectors. In the Asia Pacific and Europe regions, capital was invested in new customer projects, renewals and refurbishments, predominantly in the Retail and Automotive sectors, and on fleet replacements.

Cross-divisional capital expenditure decreased from €78 million in 2014 to €64 million in the reporting period. Lower expenses for the vehicle fleet were partly offset by higher spending on IT equipment.

13 Operating cash flow by division, H1 2015



Lower operating cash flow

At €345 million in the first half of 2015, net cash from operating activities was down €222 million on the previous year. The figure before changes in working capital was down more significantly, declining by €450 million to €1,072 million. The depreciation, amortisation and impairment losses contained in EBIT are non-cash effects and are therefore eliminated. This item decreased from €736 million to €645 million, partly because the prior-year figure had included impairment losses on aircraft. Net income from the disposal of non-current assets, which is contained in EBIT, is also eliminated. It rose by €218 million to €228 million in the reporting period, driven mainly by gains on the sale of our equity investments in Sinotrans and King's Cross. Thanks to improved working capital management, the cash outflow from changes in working capital was down significantly on the previous year, declining by €228 million to €727 million. Operating cash flow is regularly impacted in the first half of the year by the annual prepayment to the *Bundesanstalt für Post und Telekommunikation*; the 2015 payment was €530 million.

At €472 million, net cash used in investing activities was considerably higher than in the previous year (€23 million). A key factor in the previous year was the sale of money market funds, which led to a cash inflow of €600 million, and increased current financial assets. This compares with a cash inflow of €200 million in the reporting period from the sale of money market funds. Proceeds from the disposal of non-current assets amounted to €294 million in the reporting period (previous year: €107 million). This figure includes, amongst other items, the gains on the sale of the equity investments

described above. Cash paid to acquire property, plant and equipment and intangible assets rose from €708 million to €972 million, partly because payments for some of the investments which had been capitalised at the end of 2014 were only made in 2015.

14 Calculation of free cash flow

€m	H 1 2014 adjusted ¹	H 1 2015	Q2 2014 adjusted ¹	Q2 2015
Net cash from operating activities	567	345	483	266
Sale of property, plant and equipment and intangible assets	72	64	25	25
Acquisition of property, plant and equipment and intangible assets	-708	-972	-260	-407
Cash outflow arising from change in property, plant and equipment and intangible assets	-636	-908	-235	-382
Disposal of subsidiaries and other business units	0	-2	0	-2
Disposals of investments accounted for using the equity method and other equity investments	0	221	0	221
Acquisition of subsidiaries and other business units	3	0	3	0
Acquisition of investments accounted for using the equity method and other equity investments	0	0	0	0
Cash inflow arising from acquisitions/divestitures	3	219	3	219
Interest received	27	22	10	10
Interest paid	-101	12	-53	-46
Net interest paid	-74	34	-43	-36
Free cash flow	-140	-310	208	67

¹  Note 4.

Free cash flow decreased from €-140 million to €-310 million in the reporting period, primarily due to the increase in cash paid to acquire property, plant and equipment and intangible assets. Conversely, cash inflows from the disposal of the equity investments had a positive impact. The fact that interest received exceeded interest paid also increased free cash flow; in the first quarter of 2015, we unwound interest rate swaps for bonds, which led to a cash inflow. The accounting treatment of these inflows is the same as for the hedged item. For this reason, we are reporting positive interest payments of €12 million in the reporting period (previous year: €-101 million).

At €1,082 million, net cash used in financing activities was €870 million lower than in the previous year (€1,952 million). In the previous year, the repayment of a bond of €926 million had made a significant contribution to the cash outflow. Conversely, in the previous year, a loan taken out with Deutsche-Post-Betriebsrenten-Service e.V. had led to a cash inflow of €120 million. At €1,030 million, the dividend paid to our shareholders was again the largest payment item.

Changes in the cash flows from the individual areas of activity saw cash and cash equivalents decline from €2,978 million as at 31 December 2014 to €1,813 million.

Net assets

15 Selected indicators for net assets

		31 Dec. 2014 adjusted ¹	30 June 2015
Equity ratio	%	25.9	29.4
Net debt	€ m	1,499	2,989
Net interest cover ²		18.7	-37.0
Net gearing	%	13.5	21.5
FFO to debt ³	%	27.7	26.3

¹ Note 4.

² In the first half of the year.

³ For the calculation page 7.

Consolidated total assets at prior-year level

The Group's total assets amounted to €37,063 million as at 30 June 2015, similar to the level at 31 December 2014 (€36,979 million).

At €23,408 million, non-current assets were up on the previous year's figure of €22,902 million. Intangible assets increased by €475 million to €12,827 million, driven primarily by a rise in goodwill that was due to exchange rate movements. However, the increase in property, plant and equipment, from €7,177 million to €7,207 million, was considerably more moderate: additions and positive currency effects exceeded depreciation, impairment losses and disposals. In contrast, non-current financial assets decreased by €170 million to €1,193 million, due primarily to the sale of shares in equity investments. Other non-current assets increased by €84 million to €235 million, mainly driven by the increase in pension assets as a result of actuarial gains. Deferred tax assets increased from €1,752 million to €1,836 million.

Current assets amounted to €13,655 million as at the balance sheet date, down €422 million on the figure as at 31 December 2014. Inventories increased slightly by €11 million to €343 million. The sale of money market funds worth €200 million was the main reason for the decline in current financial assets to €179 million. Trade receivables rose by €207 million to €8,032 million. Other current assets increased sharply by €655 million to €3,070 million. This figure includes €260 million relating to the accrual of the prepaid annual contribution to the *Bundesanstalt für Post und Telekommunikation* for pension and assistance benefits as well as numerous other accrued expense items. Income tax assets rose by €34 million to €206 million. The reasons for the €1,165 million decrease in cash and cash equivalents to €1,813 million are described in the section entitled *Financial position*.

At €10,590 million, equity attributable to Deutsche Post AG shareholders was €1,214 million higher than at 31 December 2014 (€9,376 million). Positive currency effects, consolidated net profit for the period and the increased discount rate applicable to pension liabilities made a positive contribution, whereas the dividend payment for financial year 2014 reduced equity.

Non-current and current liabilities declined slightly from €16,988 million to €16,916 million. Trade payables in particular decreased sharply by €443 million to €6,479 million. In contrast, other current liabilities rose from €4,196 million to €4,453 million, due primarily to an increase in liabilities to employees. Financial liabilities also increased slightly, rising by €109 million to €5,278 million. Current and non-current provisions decreased significantly from €10,411 million to €9,260 million: actuarial gains attributable to a rise in interest rates led to a decline in provisions for pensions.

Net debt increases to €2,989 million

Our net debt rose from €1,499 million as at 31 December 2014 to €2,989 million as at 30 June 2015, in part because in the first half of the year we paid the annual contribution of €530 million to the *Bundesanstalt für Post und Telekommunikation* and distributed the dividend for financial year 2014 in the amount of €1,030 million. At 29.4%, the equity ratio was higher than at 31 December 2014 (25.9%). Net interest cover shows the extent to which net interest obligations are covered by EBIT. The indicator calculated declined from 18.7 to -37.0, due primarily to payments received from the unwinding of interest rate swaps. Net gearing was 21.5% as at 30 June 2015.

16 Net debt

€m	31 Dec. 2014	30 June 2015
Non-current financial liabilities	4,655	4,688
⊕ Current financial liabilities	425	493
⊖ Financial liabilities	5,080	5,181
⊖ Cash and cash equivalents	2,978	1,813
⊖ Current financial assets	351	179
⊖ Long-term deposits ¹	60	65
⊖ Positive fair value of non-current financial derivatives ¹	192	135
⊖ Financial assets	3,581	2,192
Net debt	1,499	2,989

¹ Shown in the balance sheet under non-current financial assets.

Business performance in the divisions

OVERVIEW

17 Key figures by operating division

€m	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Post - eCommerce - Parcel						
Revenue	7,602	7,813	2.8	3,642	3,712	1.9
of which Post	4,949	4,816	-2.7	2,341	2,252	-3.8
eCommerce - Parcel	2,653	2,997	13.0	1,301	1,460	12.2
Profit from operating activities (EBIT)	585	474	-19.0	189	75	-60.3
Return on sales (%) ¹	7.7	6.1	-	5.2	2.0	-
Operating cash flow	325	354	8.9	188	169	-10.1
Express						
Revenue	5,968	6,695	12.2	3,089	3,455	11.8
of which Europe	2,756	2,938	6.6	1,402	1,511	7.8
Americas	1,074	1,233	14.8	557	643	15.4
Asia Pacific	2,082	2,450	17.7	1,096	1,273	16.1
MEA (Middle East and Africa)	448	522	16.5	228	268	17.5
Consolidation/Other	-392	-448	-14.3	-194	-240	-23.7
Profit from operating activities (EBIT)	607	708	16.6	331	376	13.6
Return on sales (%) ¹	10.2	10.6	-	10.7	10.9	-
Operating cash flow	630	596	-5.4	345	262	-24.1
Global Forwarding, Freight						
Revenue	7,161	7,567	5.7	3,638	3,778	3.8
of which Global Forwarding	5,157	5,554	7.7	2,636	2,763	4.8
Freight	2,076	2,096	1.0	1,039	1,057	1.7
Consolidation/Other	-72	-83	-15.3	-37	-42	-13.5
Profit from operating activities (EBIT)	151	57	-62.3	102	40	-60.8
Return on sales (%) ¹	2.1	0.8	-	2.8	1.1	-
Operating cash flow	-55	-35	36.4	45	125	>100
Supply Chain						
Revenue	7,124	7,987	12.1	3,618	4,045	11.8
of which Supply Chain	6,463	7,224	11.8	3,286	3,667	11.6
Williams Lea	664	769	15.8	333	381	14.4
Consolidation/Other	-3	-6	-100.0	-1	-3	<-100
Profit from operating activities (EBIT)	194	172	-11.3	109	119	9.2
Return on sales (%) ¹	2.7	2.2	-	3.0	2.9	-
Operating cash flow	22	-146	-	-6	-34	<-100

¹ EBIT/revenue.

POST - ECOMMERCE - PARCEL DIVISION

Parcel business drives up revenue

Driven by continued strong growth in the eCommerce - Parcel business unit, revenue in the PeP division increased by 2.8% in the first half of 2015 to €7,813 million (previous year: €7,602 million). Excluding positive currency effects of €106 million, revenue growth in the first half of the year was 1.4%.

Lower revenue and volumes in Post business unit, partly on account of strike

In the first half of 2015, volumes in the Post business unit dropped well below the prior-year level. By contrast, revenue declined less significantly with a decrease of 2.7% to €4,816 million (previous year: €4,949 million). Revenue in the second quarter of 2015 amounted to €2,252 million (previous year: €2,341 million).

Although the price of a standard letter increased at the beginning of the year, the additional sales revenue could not offset the decrease in revenue attributable to the overall decline in Mail Communications volumes. 2014 had seen additional mail volumes as a result of the European elections and the transition to SEPA. Moreover, the Germany-wide labour strikes called by the trade union ver.di, our collective bargaining partner, at the mail centres and for letter and parcel delivery negatively impacted our volume and revenue trend. The cross-border import/export business performed well during the reporting period. The *Groß* and *Maxi* formats in particular benefited from the fact that small-sized goods are increasingly being shipped by letter.

Revenue and sales volumes decreased in the Dialogue Marketing business, especially in addressed advertising mail. By contrast, revenue generated from unaddressed advertising mail increased. Growth in our *Einkauf aktuell* product exceeded the revenue decline in *Postwurfsendung* unaddressed items.

18 Post: revenue

€m	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Mail Communication	3,314	3,247	-2.0	1,576	1,520	-3.6
Dialogue Marketing	1,073	1,048	-2.3	510	501	-1.8
Other	562	521	-7.3	255	231	-9.4
Total	4,949	4,816	-2.7	2,341	2,252	-3.8

19 Post: volumes

Mail items (millions)	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Total	10,311	9,547	-7.4	4,935	4,471	-9.4
of which Mail Communication	4,486	4,334	-3.4	2,083	1,973	-5.3
of which Dialogue Marketing	4,788	4,251	-11.2	2,305	2,011	-12.8

eCommerce - Parcel business unit remains on growth track

Our domestic and cross-border parcel operations are consolidated in the eCommerce - Parcel business unit. In the first half of 2015, revenue increased by 13.0% to €2,997 million (previous year: €2,653 million). Second-quarter business also remained on an expansion course with a revenue increase of 12.2%.

In Germany, volumes continued to grow despite the labour strike. Driven by e-commerce, volumes rose by 9.5% to 528 million parcels. Revenue for the first half of the year also saw a substantial increase over the prior-year figure, rising from €1,853 million to €2,052 million.

In addition, our domestic and cross-border parcel business in Europe continued to see encouraging growth. We increased sales quantities in all markets and expanded our portfolio of services. Revenue increased by 6.7% in the reporting period to €350 million (previous year: €328 million).

The first-quarter upwards trend in DHL eCommerce was sustained, thanks above all to the positive development in the B2C segment in India and growth in the domestic business in the United States. Boosted by positive currency effects, revenue increased by 26.1% compared with the previous year to €595 million in the first half of 2015 (previous year: €472 million). Excluding currency effects, growth was 4.2%.

20 eCommerce - Parcel: revenue

€m	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Parcel Germany	1,853	2,052	10.7	906	990	9.3
Parcel Europe ¹	328	350	6.7	163	177	8.6
DHL eCommerce ²	472	595	26.1	232	293	26.3
Total	2,653	2,997	13.0	1,301	1,460	12.2

¹ Excluding Germany.

² Outside Europe.

21 Parcel Germany: volumes

Parcels (millions)	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Total	482	528	9.5	236	255	8.1

EBIT well below prior-year level

Although revenue rose compared with the previous year, higher material and labour costs, the continued expansion of our parcel network and in particular the impact of the strike led to a notable decrease in EBIT. Division EBIT declined from €585 million in the previous year to €474 million in the reporting period. Return on sales decreased to 6.1% (previous year: 7.7%). EBIT for the second quarter of 2015 was €75 million (previous year: €189 million).

By contrast, operating cash flow increased from €325 million to €354 million, due mainly to a significantly lower net cash outflow from working capital. Working capital decreased to €-186 million, down from €-151 million in the previous year.

EXPRESS DIVISION

International business remains on growth course

Express division revenue increased by 12.2% to €6,695 million in the first half of 2015 (previous year: €5,968 million). Excluding positive currency effects of €580 million, revenue growth was 2.5%. Second-quarter revenue rose by 11.8% compared with the prior-year figure. The increase was 2.7% excluding currency effects. Due to the decrease in the price of crude oil compared with the previous year, the fuel surcharge passed on to our customers was lower in all regions.

In the Time Definite International (TDI) product line, daily revenues rose by 3.7% in the first half and per-day customer shipments increased by 7.9% compared with the prior-year period. Daily revenues for the second quarter were up by 3.8% and per-day volumes by 8.6%. Volumes rose to a much greater extent than revenues due to the decrease in the fuel surcharge.

In the Time Definite Domestic (TDD) product line, daily revenues increased by 2.7% and per-day shipment volumes by 5.5% in the first half of the year. Daily revenues for the second quarter rose by 2.6% and shipment volumes by 5.7%.

22 EXPRESS: revenue by product

€m per day ¹	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Time Definite International (TDI)	35.4	36.7	3.7	36.8	38.2	3.8
Time Definite Domestic (TDD)	3.7	3.8	2.7	3.8	3.9	2.6

¹ To improve comparability, product revenues were translated at uniform exchange rates. Those revenues are also the basis for the weighted calculation of working days.

23 EXPRESS: volumes by product

Thousands of items per day ¹	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Time Definite International (TDI)	681	735	7.9	700	760	8.6
Time Definite Domestic (TDD)	364	384	5.5	369	390	5.7

¹ To improve comparability, product revenues were translated at uniform exchange rates. Those revenues are also the basis for the weighted calculation of working days.

Double-digit volume growth in Europe region

Revenue in the Europe region increased by 6.6% in the first half of 2015 to €2,938 million (previous year: €2,756 million). The figure for the reporting period included positive currency effects of €54 million that relate mainly to our business activities in Switzerland and the United Kingdom. Excluding those effects, revenue growth was 4.6%. Daily revenues in the TDI product line improved by 3.8%, due primarily to the 12.3% increase in shipment volumes. Growth in the region was maintained in the second quarter of 2015, with daily international shipment revenues increasing by 5.8%, whilst shipment volumes grew significantly by 14.4%.

TDI revenues up significantly in Americas region

Revenue in the Americas region increased by 14.8% in the first half of 2015 to €1,233 million (previous year: €1,074 million). That figure included positive currency effects of €149 million, mainly as a result of our business in the United States. Excluding currency effects, revenue for the region saw a slight increase of 0.9% above the prior-year figure. In the TDI product line, we increased daily revenues by 6.2% in the first half of the year, whilst shipment volumes experienced a slight decline of 1.0%. Daily revenues for the second quarter of 2015 rose by 6.0%, whilst volumes decreased by 2.4%.

Moderate growth achieved in Asia Pacific region

Revenue in the Asia Pacific region increased by 17.7% in the first half of 2015 to €2,450 million (previous year: €2,082 million). The figure for the reporting period included significant currency gains of €343 million that relate primarily to our business activities in China and Hong Kong as well as other countries in the region. Excluding those effects, the revenue increase was only 1.2% due to the weakening of the economy in China during the reporting period. In the TDI product line, daily revenues increased by 1.5% in the first half of the year and per-day volumes by 5.8%. Daily TDI revenues for the second quarter remained at the prior-year level and per-day international shipment volumes rose by 6.1%.

Sustained growth in MEA region volumes

Revenue in the MEA region (Middle East and Africa) was up by 16.5%, or €522 million, in the first half of 2015 (previous year: €448 million). The figure for the reporting period included positive currency effects of €67 million that are associated mainly with our business activities in the Middle East. Excluding those effects, revenue for the region rose by 1.6%. In the TDI product line, daily revenues increased by 7.1% and per-day volumes by a substantial 10.7%. Growth in the second quarter of 2015 amounted to 7.4% for daily revenues and 9.2% for per-day volumes.

Improvement in EBIT and return on sales

In the first half of 2015, division EBIT improved by 16.6% to €708 million (previous year: €607 million). Increased volumes and revenues as well as the higher operating profitability of our network were the main factors contributing to the growth in EBIT. Return on sales also improved, rising from 10.2% in the previous year to 10.6% in the reporting period. Second-quarter EBIT climbed by 13.6% to €376 million, which improved return on sales from 10.7% to 10.9%. The reversal of restructuring provisions in the United States in the previous year resulted in income that was offset mainly by impairment losses on aircraft.

Operating cash flow decreased by 5.4% to €596 million in the reporting period (previous year: €630 million), due mainly to the utilisation of restructuring provisions in the United States during the second quarter of 2015.

GLOBAL FORWARDING, FREIGHT DIVISION

Freight forwarding business remains under pressure

Revenue in the division increased by 5.7% to €7,567 million in the first half of 2015 (previous year: €7,161 million). Excluding positive currency effects of €367 million, revenue increased by 0.5%.

In the Global Forwarding business unit, revenue in the reporting period increased by 7.7% to €5,554 million (previous year: €5,157 million). Excluding positive currency effects of €360 million, the growth in revenue was 0.7%. Gross profit improved by 2.3% to €1,208 million (previous year: €1,181 million).

The new management is in the process of reviewing the course of transformation. Since the end of April, the goal has been to transform the organisation in a way that operating performance can be improved quickly. Measures planned to improve the division's cost structure, earnings and customer service, amongst other factors, have been initiated. The review will serve as a basis for determining the approach to be followed in future, including the future IT landscape.

Positive revenue trend in air and ocean freight

Air and ocean freight revenues increased in the reporting period compared with the prior year. Ocean freight volumes remained at the previous year's level, whilst air freight volumes declined.

Our air freight volumes declined by 3.7% in the first half of 2015 compared with the prior-year period. To counteract the decrease in margins, we withdrew from some major transactions and volumes dropped accordingly. Whilst the measures we implemented in the previous year to increase profitability are in fact showing success, margins are still low when compared with the historical average. Revenue in the air freight business rose by 7.3% and gross profit by 1.1% in the first half of 2015. Revenues for the second quarter of 2015 improved by 3.1%, whilst volumes declined by 7.3% in comparison with the prior-year quarter.

Ocean freight volumes increased by 1.3% in the first half of the year, driven primarily by new business that was contracted in the previous year. Due to uncertainty on the market and a persisting oversupply of capacities, rates remained volatile on most routes. Our ocean freight revenues rose by 10.5% in the reporting period. However, gross profit decreased by 8.8% as a result of heightened price competition. Second-quarter revenues grew by 8.9%, whilst volumes stayed on a par with the prior-year quarter.

Performance of our industrial project business (Table 24, reported as part of Other) was much weaker than in the previous year given our customers' reluctance to invest in the energy sector in light of the low oil price. In the first half of 2015, the share of revenue related to industrial project business and reported under Other was 29.2% and therefore down year-on-year (previous year: 36.7%). Gross profit declined by 4.4% compared with the prior-year period.

24 Global Forwarding: revenue

€m	H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Air freight	2,390	2,565	7.3	1,237	1,275	3.1
Ocean freight	1,702	1,881	10.5	864	941	8.9
Other	1,065	1,108	4.0	535	547	2.2
Total	5,157	5,554	7.7	2,636	2,763	4.8

25 Global Forwarding: volumes

Thousands		H1 2014 adjusted	H1 2015	+/- %	Q2 2014 adjusted	Q2 2015	+/- %
Air freight	tonnes	1,939	1,868	-3.7	1,007	933	-7.3
of which exports	tonnes	1,091	1,052	-3.6	571	530	-7.2
Ocean freight	TEUS ¹	1,436	1,454	1.3	748	750	0.3

¹ Twenty-foot equivalent units.

Slight revenue increase in European overland transport business

In the Freight business unit, revenue was up by 1.0% to €2,096 million in the first half of 2015 (previous year: €2,076 million). The increase was due partly to positive currency effects in the amount of €8 million. Business grew primarily in Germany, Central and Eastern Europe, Turkey, Sweden and Denmark. Gross profit increased slightly over the prior-year level to €548 million (previous year: €547 million); positive currency effects similarly contributed to the increase.

Turnaround costs push down earnings trend

EBIT in the division declined to €57 million in the reporting period (previous year: €151 million). Costs for turnaround measures were partially offset by income from the sale of shares in Sinotrans. At the same time, gross profit margins remained at a low level due to high pressure on margins. Return on sales declined to 0.8% (previous year: 2.1%). EBIT for the second quarter of 2015 fell by 60.8% to €40 million, down from the previous year's figure of €102 million.

Net working capital improved slightly in the first half of 2015 despite higher outstanding receivables, leading to operating cash flow of €-35 million (previous year: €-55 million).

SUPPLY CHAIN DIVISION

Revenue increases in all business units and regions

Revenue in the division increased by 12.1% to €7,987 million in the first half of 2015 (previous year: €7,124 million). Positive currency effects of €809 million contributed to this growth. Excluding currency effects, revenue growth was 0.8%. Revenue for the second quarter of 2015 increased by 11.8% year-on-year, rising from €3,618 million to €4,045 million. The second-quarter increase was likewise impacted significantly by positive currency effects.

First half-year revenue in the Supply Chain business unit was €7,224 million, an increase of 11.8% (previous year: €6,463 million). Compared with the previous year, the Life Sciences & Healthcare, Consumer and Automotive sectors represented a higher proportion of revenue, offset by a slightly lower share in the Retail sector. Revenue from our top 20 customers grew by 10.0%.

In the Americas region, we gained revenue from new business in the United States, driven predominantly by the Consumer and Automotive sectors. Our revenue in Canada was impacted negatively by the loss of a contract in the Retail sector at the end of the second quarter of 2014.

In the Asia Pacific region, we achieved substantial revenue growth across all focus sectors. Australia and China in particular contributed to this growth, which stemmed from new and additional business. Revenue growth in Australia came primarily from the Life Sciences & Healthcare, Technology and Retail sectors. In China, revenue increased significantly in the Technology and Automotive sectors. Our business in Thailand, India and Hong Kong also contributed to the increased revenue in the region.

In Europe, volumes and new business increased mainly in the Retail and Automotive sectors. Revenue in the Life Sciences & Healthcare sector improved primarily due to additional business from the UK National Health Service.

In the Williams Lea business unit, revenue grew by 15.8% to €769 million in the reporting period, driven mainly by increased volumes in Marketing Solutions and specialised Business Process Outsourcing for customers in Europe and Asia.

New business worth around €526 million secured

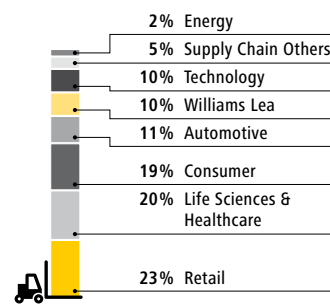
In the first half of 2015, the Supply Chain business unit concluded additional contracts worth around €526 million in annualised revenue with both new and existing customers. The Consumer, Life Sciences & Healthcare and Automotive sectors accounted for the majority of the gains. The annualised contract renewal rate remained at a consistently high level.

EBIT includes restructuring expenses and disposal income

EBIT in the division was €172 million in the first half of 2015 (previous year: €194 million). The main reason for the decline in EBIT was the restructuring costs supporting our “Focus. Connect. Grow” strategic initiatives, which were offset partially by income from the sale of shares in King’s Cross in the UK. New business also had a positive effect on earnings. The return on sales declined to 2.2% (previous year: 2.7%). In the second quarter of 2015, EBIT increased from €109 million to €119 million, also impacted by income from the sale of shares in King’s Cross as well as accelerated restructuring costs. Net working capital worsened, due mainly to increased outstanding receivables. The decrease led to a decline in operating cash flow to €-146 million (previous year: €22 million).

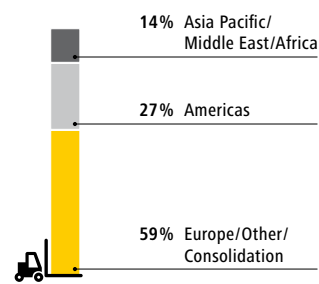
26 SUPPLY CHAIN: revenue by sector, H1 2015

Total revenue: €7,987 million



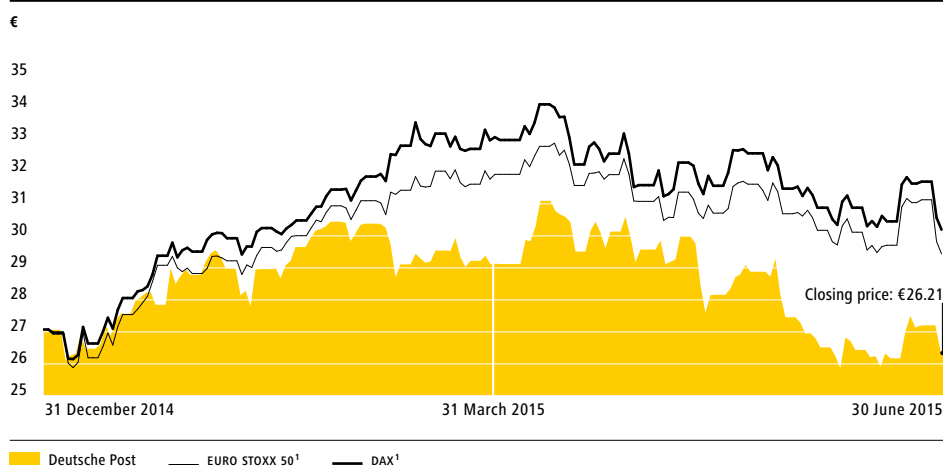
27 SUPPLY CHAIN: revenue by region, H1 2015

Total revenue: €7,987 million



DEUTSCHE POST SHARES

28 Share price performance



¹ Rebased to the closing price of Deutsche Post shares on 31 December 2014.

Deutsche Post shares lose ground at the end of Q2

After a strong initial quarter in 2015, the DAX continued its upwards climb to reach a high of 12,374 on 10 April 2015. Deutsche Post shares also reached a new high of €31.08 on 12 April. However, publication of the quarterly figures on 12 May pushed our shares downwards. By 30 June, the share price had dropped to €26.21. The DAX likewise declined, ending the quarter at 10,944 points. The main reason for the drop in the DAX was uncertainty about whether Greece would remain in the eurozone.

29 Deutsche Post shares

		31 Dec. 2014	30 June 2015
Closing price	€	27.05	26.21
High ¹	€	28.43	31.08
Low ¹	€	22.30	25.86
Number of shares ²	millions	1,211.2	1,211.2
Market capitalisation	€ m	32,758	31,739
Average trading volume per day ¹	shares	4,019,689	4,601,581

¹ In 2014 and the first half of 2015.

² Number according to the commercial register.

30 Peer group comparison: closing prices

		31 Dec. 2014	30 June 2015	+/- %	30 June 2014	30 June 2015	+/- %
Deutsche Post DHL Group	EUR	27.05	26.21	-3.1	26.41	26.21	-0.8
bpost	EUR	20.79	24.64	18.5	18.45	24.64	33.6
Royal Mail Group	GBP	429.90	514.50	19.7	499.00	514.50	3.1
FedEx	USD	173.66	170.40	-1.9	151.38	170.40	12.6
UPS	USD	111.17	96.91	-12.8	102.66	96.91	-5.6
Kuehne + Nagel	CHF	135.30	124.10	-8.3	118.00	124.10	5.2

NON-FINANCIAL PERFORMANCE INDICATORS

Employees

Number of employees rises slightly

In the first half of 2015, the average number of employees (full-time equivalents) increased slightly to 445,710, a 1.1% rise compared with the previous year's average. This was due mainly to higher shipment volumes in the Express division and the growth of the German parcel business in the Post - eCommerce - Parcel division. The headcount at the end of the first half of the year was 493,207.

Our current planning foresees another slight increase in the number of employees in financial year 2015.

POST-BALANCE-SHEET DATE EVENTS

Wage agreement reached

On 5 July 2015, Deutsche Post AG and the trade union ver.di ended their wage dispute and agreed on a comprehensive collective bargaining package. Amongst other things, each of Deutsche Post AG's more than 130,000 employees will receive a one-time payment of €400 in 2015. Salaries will increase by 2.0% effective 1 October 2016 and by another 1.7% effective 1 October 2017. The agreement has a term of 32 months, which gives the company planning security until 31 January 2018. The DHL Delivery companies will remain unchanged part of the PeP division.

OPPORTUNITIES AND RISKS

Overall Board of Management assessment of the opportunity and risk situation

No foreseeable going-concern risk to the Group

Identifying opportunities and swiftly capitalising upon them and counteracting risks are important objectives for our Group. We already account for the anticipated impact of potential events and developments in our business plan. Significant potential deviations from the Group's projected earnings are reported as opportunities or risks. The Group's overall opportunity and risk situation did not change significantly in the reporting period as compared with the situation portrayed in the 2014 Annual Report. No new risks were identified that could have a significant impact on the Group's result. Based upon the Group's early warning system and in the estimation of its Board of Management, there were no identifiable risks for the Group in the current forecast period which, individually or collectively, cast doubt upon the Group's ability to continue as a going concern. Nor are any such risks apparent in the foreseeable future.

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Opportunity and risk management

Opportunities and risks identified early

As an internationally operating logistics company, we are faced with numerous changes. Our aim is to identify the resulting opportunities and risks at an early stage and take the necessary measures in the specific areas affected in due time to ensure that we achieve a sustained increase in enterprise value. Our Group-wide opportunity and risk management system facilitates this aim. We describe our opportunity and risk management and the significant opportunities and risks in the forecast period in the 2014 Annual Report, beginning on page 86.

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Opportunities and risks

No significant changes in the opportunity and risk situation

In the first six months of 2015, the opportunity and risk situation did not change significantly from that portrayed in the 2014 Annual Report, beginning on page 86.

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Bundeskartellamt ruling on letter prices

On 5 November 2012, the *Bundeskartellamt* (German federal cartel office) initiated proceedings against Deutsche Post on suspicion of abusive behaviour with respect to agreements on mail transport with major customers. Based upon information from Deutsche Post AG's competitors, the authorities suspected that the company had violated the provisions of German and European antitrust law. In a decree dated 6 July 2015, the *Bundeskartellamt* determined that such violations had indeed taken place but also that Deutsche Post had discontinued them at the end of 2013. No fine was imposed. The company is considering whether to appeal to the Higher Regional Court in Düsseldorf.

EXPECTED DEVELOPMENTS

Overall Board of Management assessment of the future economic position

Annual forecast adjusted to reflect effects of the strike

After accounting for the effects of the strike in the Post - eCommerce - Parcel division, the Board of Management now expects consolidated EBIT to reach between €2.95 billion and €3.10 billion in financial year 2015. With respect to the global economy, we anticipate regional variations and only moderate growth on the whole. A similar development is expected for world trade. The Post - eCommerce - Parcel division is now projected to contribute at least €1.2 billion to the expected consolidated EBIT. Compared with the previous year, we continue to expect an additional improvement in overall earnings to €2.1 billion to €2.25 billion in the DHL divisions. The Corporate Center/Other result is projected to remain at around €-0.35 billion. As expected, EAC will generally perform in line with consolidated EBIT. Free cash flow is expected to at least cover the dividend payment made in May 2015.

Forecast period

Outlook generally refers to 2015

The information contained in the report on expected developments generally refers to financial year 2015. However, in some instances we have chosen to extend the scope.

Future organisation

No material changes to the organisational structure planned

Currently, no further material changes to the Group's organisational structure are planned for the current financial year.

Future economic parameters

Global economy to record cautious growth

Economists predict that the global economy could improve somewhat over the course of 2015, although growth is likely to remain cautious. A slight revival is expected in the industrial countries which will benefit from expansive monetary policies and low commodity prices. In the emerging markets, economic performance will presumably vary widely subject to dependence on commodities and the US dollar. The International Monetary Fund (IMF) expects global economic output to grow by 3.3% and global trade by 4.1% in 2015.

In China, growth is not likely to pick up in 2015. GDP is therefore expected to increase less than in the previous year (IMF: 6.8%, Bloomberg Consensus: 6.9%). Japan is experiencing a solid upswing. However, because of an unfavourable starting point at the beginning of 2015, GDP is only likely to see moderate growth (IMF: 0.8%; Bloomberg Consensus: 1.0%; Global Insight: 1.0%).

In the United States, strong domestic demand is boosting the economy. However, foreign trade is set to slow the economy due to the strong US dollar. Following a weak start to the year, prospects have dimmed for full-year 2015. GDP growth is forecast to fall below the previous year's figure (IMF: 2.5%; Bloomberg Consensus: 2.3%; Global Insight: 2.2%).

The economy in the eurozone is on course for continued recovery, with private consumption expected to provide much of the momentum. Gross fixed capital formation is also expected to rise. Exports are likely to see stronger growth than in the previous year due to the weak euro. On balance, however, foreign trade is not expected to drive growth. In contrast to previous years, all of the large member states are expected to achieve positive growth. Indeed, growth for 2015 as a whole is forecast to increase (IMF: 1.5%; ECB 1.5%; Global Insight: 1.5%).

Early indicators suggest that the positive economic trend in Germany will continue, with domestic demand providing the momentum. Private consumption, gross fixed capital formation and government spending are all expected to rise markedly. However, foreign trade is not likely to make a notable contribution to GDP growth. On the whole, growth is anticipated to accelerate only slightly at best in 2015 (IMF: 1.6%, *Sachverständigenrat*: 1.8%; Global Insight: 1.7%).

Revenue and earnings forecast

Annual forecast adjusted to reflect effects of the strike

As described on page 100f. of our [2014 Annual Report](#), we expect the global economy to continue to experience regional variations in 2015 and to grow only moderately on the whole. The global trading volumes relevant to our business are likely to perform similarly. Revenue performance is anticipated to reflect our strategic focus on business driven by e-commerce and on emerging economies evidencing strong structural growth.

After accounting for the effects of the strike in the Post - eCommerce - Parcel division, we now expect consolidated EBIT to reach between €2.95 billion and €3.10 billion in financial year 2015. The Post - eCommerce - Parcel division is now projected to contribute at least €1.2 billion to that figure. Compared with the previous year, we continue to expect an additional improvement in overall earnings to €2.1 billion to €2.25 billion in the DHL divisions. Within the DHL divisions, Express is expected to show continued earnings growth, whereas transformation in Global Forwarding, Freight and investments in Supply Chain will dampen EBIT growth in the latter divisions. The Corporate Center/Other result is projected to remain at around €-0.35 billion.

In line with our Group strategy, we are targeting organic growth and anticipate only a few small acquisitions in 2015, as in the previous year.

We are reconfirming the earnings forecast for 2016 that we presented in August 2014: consolidated EBIT is expected to reach between €3.4 billion and €3.7 billion in 2016. The PeP division is likely to account for more than €1.3 billion of this and the earnings contribution of the DHL divisions is forecast to range from €2.45 billion to €2.75 billion.

Our finance strategy calls for a payout of 40% to 60% of net profits as dividends as a general rule.

Expected financial position

Group's credit quality remains adequate or good

In light of the earnings forecast for 2015, we expect the FFO to debt performance metric to remain stable on the whole. The metric will be impacted strongly by persistently fluctuating discount rates for pension obligations. We expect the rating agencies to continue to rank our credit quality as adequate or even good.

Liquidity situation remains solid

Our operating liquidity situation will improve towards the end of the year due to the usual upturn in our business activities in the second half of the year.

Investments to increase

As described on page 101f. of our 2014 Annual Report, capital expenditure of around €2.0 billion is planned for 2015. We shall focus on technical equipment and machinery, aircraft and transport equipment.




Change in indicators relevant for internal management

EAC to perform more moderately than consolidated EBIT

As expected, EAC will generally perform in line with consolidated EBIT. Divisional EAC will be subject to the same influences as laid out in the EBIT outlook. However, as our investing activities and currency effects continue and the net asset base increases as a result, the EAC trend may be more moderate than the trend in EBIT. Free cash flow is expected to at least cover the dividend payment for financial year 2014 made in May 2015.

This Interim Report contains forward-looking statements that relate to the business, financial performance and results of operations of Deutsche Post AG. Forward-looking statements are not historical facts and may be identified by words such as "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets" and similar expressions. As these statements are based upon current plans, estimates and projections, they are subject to risks and uncertainties that could cause actual results to be materially different from the future development, performance or results expressly or implicitly assumed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as at the date of this presentation. Deutsche Post AG does not intend or assume any obligation to update these forward-looking statements to reflect events or circumstances after the date of this Interim Report.

 Any internet sites referred to in the Interim Report by the Board of Management do not form part of the report.

31 INCOME STATEMENT

1 January to 30 June

€m	H1 2014 adjusted ¹	H1 2015	Q2 2014 adjusted ¹	Q2 2015
Revenue	27,264	29,467	13,695	14,700
Other operating income	936	1,181	547	592
Total operating income	28,200	30,648	14,242	15,292
Materials expense	-15,240	-16,647	-7,711	-8,326
Staff costs	-9,048	-9,886	-4,511	-4,972
Depreciation, amortisation and impairment losses	-736	-645	-415	-326
Other operating expenses	-1,796	-2,214	-951	-1,132
Total operating expenses	-26,820	-29,392	-13,588	-14,756
Net income from investments accounted for using the equity method	3	1	2	1
Profit from operating activities (EBIT)	1,383	1,257	656	537
Financial income	42	45	17	19
Finance costs	-204	-196	-103	-103
Foreign currency result	-15	-14	-11	-17
Net finance costs	-177	-165	-97	-101
Profit before income taxes	1,206	1,092	559	436
Income taxes	-193	-180	-70	-65
Consolidated net profit for the period	1,013	912	489	371
attributable to Deutsche Post AG shareholders	963	821	461	326
attributable to non-controlling interests	50	91	28	45
Basic earnings per share (€)	0.80	0.68	0.38	0.27
Diluted earnings per share (€)	0.77	0.65	0.37	0.26

¹  Note 4.

32 STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 June

€ m	H1 2014	H1 2015	Q2 2014	Q2 2015
Consolidated net profit for the period	1,013	912	489	371
Items that will not be reclassified to profit or loss				
Change due to remeasurements of net pension provisions	-1,169	1,024	-652	2,550
IFRS 3 revaluation reserve	-1	0	-1	0
Other changes in retained earnings	1	0	1	0
Income taxes relating to components of other comprehensive income	60	-55	12	-97
Share of other comprehensive income of investments accounted for using the equity method (after tax)	0	0	0	0
Total (after tax)	-1,109	969	-640	2,453
Items that may be subsequently reclassified to profit or loss				
IAS 39 revaluation reserve				
Changes from unrealised gains and losses	94	61	76	28
Changes from realised gains and losses	0	-172	0	-172
IAS 39 hedging reserve				
Changes from unrealised gains and losses	-60	-122	-48	43
Changes from realised gains and losses	-26	63	-9	35
Currency translation reserve				
Changes from unrealised gains and losses	29	602	38	-230
Changes from realised gains and losses	0	0	0	0
Income taxes relating to components of other comprehensive income	15	25	7	-8
Share of other comprehensive income of investments accounted for using the equity method (after tax)	0	2	0	1
Total (after tax)	52	459	64	-303
Other comprehensive income (after tax)	-1,057	1,428	-576	2,150
Total comprehensive income	-44	2,340	-87	2,521
attributable to Deutsche Post AG shareholders	-94	2,239	-118	2,494
attributable to non-controlling interests	50	101	31	27

33 BALANCE SHEET

€m	31 Dec. 2014	30 June 2015
ASSETS		
Intangible assets	12,352	12,827
Property, plant and equipment	7,177	7,207
Investment property	32	33
Investments accounted for using the equity method	75	77
Non-current financial assets	1,363	1,193
Other non-current assets	151	235
Deferred tax assets	1,752	1,836
Non-current assets	22,902	23,408
Inventories	332	343
Current financial assets	351	179
Trade receivables	7,825	8,032
Other current assets	2,415	3,070
Income tax assets	172	206
Cash and cash equivalents	2,978	1,813
Assets held for sale	4	12
Current assets	14,077	13,655
Total ASSETS	36,979	37,063
EQUITY AND LIABILITIES		
Issued capital	1,210	1,211
Capital reserves	2,339	2,326
Other reserves	-341	103
Retained earnings	6,168	6,950
Equity attributable to Deutsche Post AG shareholders	9,376	10,590
Non-controlling interests	204	297
Equity	9,580	10,887
Provisions for pensions and similar obligations	7,226	6,065
Deferred tax liabilities	84	119
Other non-current provisions	1,556	1,623
Non-current provisions	8,866	7,807
Non-current financial liabilities	4,683	4,725
Other non-current liabilities	255	253
Non-current liabilities	4,938	4,978
Non-current provisions and liabilities	13,804	12,785
Current provisions	1,545	1,453
Current financial liabilities	486	553
Trade payables	6,922	6,479
Other current liabilities	4,196	4,453
Income tax liabilities	446	453
Liabilities associated with assets held for sale	0	0
Current liabilities	12,050	11,938
Current provisions and liabilities	13,595	13,391
Total EQUITY AND LIABILITIES	36,979	37,063

34 CASH FLOW STATEMENT

1 January to 30 June

€m	H1 2014 adjusted ¹	H1 2015	Q2 2014 adjusted ¹	Q2 2015
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	963	821	461	326
Consolidated net profit for the period attributable to non-controlling interests	50	91	28	45
Income taxes	193	180	70	65
Net finance costs	177	165	97	101
Profit from operating activities (EBIT)	1,383	1,257	656	537
Depreciation, amortisation and impairment losses	736	645	415	326
Net income from disposal of non-current assets	-10	-228	-1	-197
Non-cash income and expense	9	45	-5	20
Change in provisions	-331	-358	-184	-218
Change in other non-current assets and liabilities	-5	-12	-18	-3
Dividend received	0	0	0	0
Income taxes paid	-260	-277	-134	-130
Net cash from operating activities before changes in working capital	1,522	1,072	729	335
Changes in working capital				
Inventories	11	8	6	-2
Receivables and other current assets	-949	-542	-125	89
Liabilities and other items	-17	-193	-127	-156
Net cash from operating activities	567	345	483	266
Subsidiaries and other business units	0	-2	0	-2
Property, plant and equipment and intangible assets	72	64	25	25
Investments accounted for using the equity method and other investments	0	221	0	221
Other non-current financial assets	35	11	19	5
Proceeds from disposal of non-current assets	107	294	44	249
Subsidiaries and other business units	3	0	3	0
Property, plant and equipment and intangible assets	-708	-972	-260	-407
Investments accounted for using the equity method and other investments	0	0	0	0
Other non-current financial assets	-45	-37	-5	-8
Cash paid to acquire non-current assets	-750	-1,009	-262	-415
Interest received	27	22	10	10
Current financial assets	593	221	190	185
Net cash used in/from investing activities	-23	-472	-18	29
Proceeds from issuance of non-current financial liabilities	9	6	1	2
Repayments of non-current financial liabilities	-939	-17	-5	-8
Change in current financial liabilities	117	35	74	44
Other financing activities	45	-45	25	-18
Proceeds from transactions with non-controlling interests	0	0	0	0
Cash paid for transactions with non-controlling interests	0	-6	0	-6
Dividend paid to Deutsche Post AG shareholders	-968	-1,030	-968	-1,030
Dividend paid to non-controlling interest holders	-87	-6	-84	-6
Purchase of treasury shares	-45	-31	-28	-9
Proceeds from issuing shares or other equity instruments	17	0	0	0
Interest paid	-101	12	-53	-46
Net cash used in financing activities	-1,952	-1,082	-1,038	-1,077
Net change in cash and cash equivalents	-1,408	-1,209	-573	-782
Effect of changes in exchange rates on cash and cash equivalents	-124	44	-115	-51
Changes in cash and cash equivalents associated with assets held for sale	0	0	0	0
Changes in cash and cash equivalents due to changes in consolidated group	0	0	0	0
Cash and cash equivalents at beginning of reporting period	3,414	2,978	2,570	2,646
Cash and cash equivalents at end of reporting period	1,882	1,813	1,882	1,813

¹ Note 4.

35 STATEMENT OF CHANGES IN EQUITY

1 January to 30 June

€ m	Other reserves						Retained earnings	Equity attributable to Deutsche Post AG shareholders	Non-controlling interests	Total equity
	Issued capital	Capital reserves	IFRS 3 revaluation reserve	IAS 39 revaluation reserve	IAS 39 hedging reserve	Currency translation reserve				
Balance at 1 January 2014	1,209	2,269	2	68	37	-924	7,183	9,844	190	10,034
Capital transactions with owner										
Dividend	0	0	0	0	0	0	-968	-968	-86	-1,054
Transactions with non-controlling interests	0	0	0	0	0	0	9	9	-9	0
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	2	2
Issue of shares or other equity instruments	1	16	0	0	0	0	0	17	5	22
Purchase of treasury shares	-2	0	0	0	0	0	-43	-45	0	-45
Share-based payment schemes (issuance)	0	31	0	0	0	0	0	31	0	31
Share-based payment schemes (exercise)	2	-31	0	0	0	0	29	0	0	0
								-956	-88	-1,044
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	963	963	50	1,013
Currency translation differences	0	0	0	0	0	29	0	29	0	29
Change due to remeasurements of net pension provisions	0	0	0	0	0	0	-1,109	-1,109	0	-1,109
Other changes	0	0	-1	84	-61	0	1	23	0	23
								-94	50	-44
Balance at 30 June 2014	1,210	2,285	1	152	-24	-895	6,065	8,794	152	8,946
Balance at 1 January 2015	1,210	2,339	0	170	-28	-483	6,168	9,376	204	9,580
Capital transactions with owner										
Dividend	0	0	0	0	0	0	-1,030	-1,030	-7	-1,037
Transactions with non-controlling interests	0	0	0	0	0	0	1	1	-1	0
Changes in non-controlling interests due to changes in consolidated group	0	0	0	0	0	0	0	0	0	0
Issue of shares or other equity instruments	0	0	0	0	0	0	0	0	0	0
Purchase of treasury shares	-1	0	0	0	0	0	-30	-31	0	-31
Share-based payment schemes (issuance)	0	35	0	0	0	0	0	35	0	35
Share-based payment schemes (exercise)	2	-48	0	0	0	0	46	0	0	0
								-1,025	-8	-1,033
Total comprehensive income										
Consolidated net profit for the period	0	0	0	0	0	0	821	821	91	912
Currency translation differences	0	0	0	0	0	589	0	589	15	604
Change due to remeasurements of net pension provisions	0	0	0	0	0	0	974	974	-5	969
Other changes	0	0	0	-104	-41	0	0	-145	0	-145
								2,239	101	2,340
Balance at 30 June 2015	1,211	2,326	0	66	-69	106	6,950	10,590	297	10,887

SELECTED EXPLANATORY NOTES

Company information

Deutsche Post AG is a listed corporation domiciled in Bonn, Germany. The condensed consolidated interim financial statements of Deutsche Post AG and its subsidiaries cover the period from 1 January to 30 June 2015 and have been reviewed.

BASIS OF PREPARATION

1 Basis of accounting

The accompanying condensed consolidated interim financial statements as at 30 June 2015 were prepared in accordance with section 37w of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) and the International Financial Reporting Standards (IFRS) and related interpretations issued by the International Accounting Standards Board (IASB) for interim financial reporting, as adopted by the European Union. These interim financial statements thus include all information and disclosures required by IFRS to be presented in condensed interim financial statements.

Preparation of the condensed consolidated interim financial statements for interim financial reporting in accordance with IAS 34 requires the Board of Management to exercise judgement and make estimates and assumptions that affect the application of accounting policies in the Group and the presentation of assets, liabilities, income and expenses. Actual amounts may differ from these estimates. The results obtained thus far in financial year 2015 are not necessarily an indication of how business will develop in the future.

The accounting policies applied to the condensed consolidated interim financial statements are generally based on the same accounting policies used in the consolidated financial statements for financial year 2014.

The assumptions made in connection with the Group's defined benefit retirement plans have changed as of the beginning of 2015. These changes relate to refinements in the determination of discount rates.

Firstly, separate discount rates were introduced in principle for calculating the present value of the defined benefit obligations and the current service cost. This reflects any differences in the terms of these parameters, where applicable. Secondly, generation of the yield curve for the eurozone, which is based on the yields of AA-rated corporate bonds, was enhanced. This led to minor changes in extrapolation. Furthermore, the derivation

of the discount rates for the UK shifted to take the duration into account. The first two changes did not have any significant overall impact on Deutsche Post DHL Group as at 30 June 2015. The third change reduced the present value of the Group's defined benefit obligations as at 30 June 2015 by approximately €250 million and lifted other comprehensive income (before tax) by the same amount – in contrast, this would not have had any impact as at 31 December 2014.

The income tax expense for the reporting period was deferred on the basis of the tax rate expected to apply to the full financial year.

For further information on the accounting policies applied, please refer to the consolidated financial statements for the year ended 31 December 2014, on which these interim financial statements are based.

Newly applicable accounting standards

Departures from the accounting policies applied in financial year 2014 consist of the new or amended international accounting pronouncements under IFRS required to be applied for the first time since financial year 2015.

IFRIC 21 Levies

This interpretation provides guidance on when to recognise a liability for a levy imposed by a government. It covers the recognition of levies imposed in accordance with laws or regulations. It does not include taxes, fines and other outflows that fall within the scope of other standards. The effects of this interpretation on the consolidated financial statements are immaterial.

Annual Improvements to IFRS (2011–2013 Cycle)

The annual improvement process refers to the following standards: IFRS 1, IFRS 3, IFRS 13 and IAS 40. The amendments do not have a significant influence on the consolidated financial statements.

Detailed explanations on the newly applicable accounting standards can be found in the [2014 Annual Report](#), Note 5 “New developments in international accounting under IFRS”.

2 Consolidated group

The consolidated group includes all companies controlled by Deutsche Post AG. Control exists if Deutsche Post AG has decision-making powers, is exposed to, and has rights to, variable returns, and is able to use its decision-making powers to affect the amount of the variable returns.

The Group companies are consolidated from the date on which Deutsche Post DHL Group is able to exercise control.

The companies listed in the table below are consolidated in addition to the parent company Deutsche Post AG.

Consolidated group

	31 Dec. 2014	30 June 2015
Number of fully consolidated companies (subsidiaries)		
German	90	138
Foreign	685	673
Number of joint operations		
German	1	1
Foreign	1	1
Number of investments accounted for using the equity method		
German	1	1
Foreign	14	15

At the start of financial year 2015, Deutsche Post DHL Group formed 49 regional companies under the umbrella of DHL Delivery GmbH in order to accommodate the increased demand for labour in the parcel business, which is experiencing consistent growth.

2.1 Acquisitions

Acquisitions in the period up to 30 June 2015

No acquisitions were made in the first six months of 2015. No payments were made in the first half of 2015 for companies acquired in previous years.

Acquisitions in the period up to 30 June 2014

In the prior-year period, DHL Global Forwarding & Co. LLC (DHL Oman), Oman, which was previously accounted for using the equity method, was consolidated starting in May 2014 due to contractual changes.

Acquisitions, 2014

Name	Country	Segment	Interest %	Date of acquisition
DHL Global Forwarding & Co. LLC (DHL Oman), Muscat	Oman	Global Forwarding, Freight	40	7 May 2014

Insignificant acquisitions, 2014

€m	Carrying amount	Adjustment	Fair value
1 January to 30 June			
ASSETS			
Non-current assets	0	–	0
Current assets	5	–	5
Cash and cash equivalents	4	–	4
	9	–	9
LIABILITIES			
Current liabilities and provisions	4	–	4
	4	–	4
Net assets			5

The calculation of goodwill is presented in the following table:

Goodwill, 2014

€m	Fair value
Fair value of the existing equity interest	2
Less net assets	5
Difference	–3
Plus non-controlling interests ¹	3
Goodwill	0

¹ Non-controlling interests are recognised at their carrying amount.

Payments for companies acquired in previous years amounted to less than €1 million in the first six months of 2014.

2.2 Disposal and deconsolidation effects

Disposal and deconsolidation effects in the periods up to 30 June 2015 and 2014

There were no disposal and deconsolidation effects in the first six months of 2015 or 2014.

3 Significant transactions

In the first half of 2015, 4.16% of the shares in Sinotrans Ltd., China, and shares in the property development companies King's Cross Central Property Trust and King's Cross Central General Partner Ltd., UK, were sold. Current measurement of the shares, and disposal gains recognised in income, resulted in a €–104 million change in the IAS 39 revaluation reserve. The gains on the disposal of the shares are reported in other operating income; [Note 5](#).

4 Adjustment of prior-period amounts

The net income from investments accounted for using the equity method item in the income statement was reclassified from net finance costs to profit from operating activities (EBIT) in the fourth quarter of 2014. The figures for the prior-year period were adjusted in the presentation. Further information can be found in the [2014 Annual Report](#), Note 4.

Income statement adjustments 1 January to 30 June 2014

€m	H1 2014	Adjustment	H1 2014 adjusted
Net income from investments accounted for using the equity method	–	3	3
Profit from operating activities (EBIT)	1,380	3	1,383
Net income from investments accounted for using the equity method	3	–3	–
Net finance costs	–174	–3	–177

INCOME STATEMENT DISCLOSURES

5 Other operating income

€m	H1 2014	H1 2015
Gains on disposal of non-current assets	30	244
Income from currency translation	52	148
Income from the reversal of provisions	200	125
Insurance income	92	89
Commission income	68	72
Income from fees and reimbursements	68	68
Income from work performed and capitalised	47	63
Rental and lease income	62	59
Reversals of impairment losses on receivables and other assets	47	51
Income from the remeasurement of liabilities	38	28
Income from derivatives	42	16
Income from the derecognition of liabilities	16	16
Income from prior-period billings	17	14
Income from loss compensation	12	13
Recoveries on receivables previously written off	4	4
Subsidies	4	3
Miscellaneous	137	168
Total	936	1,181

Of the gains on the disposal of non-current assets, €99 million relates to the sale of 4.16% of the shares held in Sinotrans Ltd., China, and €74 million to the sale of shares in King's Cross Central Property Trust and King's Cross Central General Partner Ltd., UK.

The increase in income from currency translation is largely due to the change in the exchange rate for the euro.

Income from the reversal of provisions in the reporting period related, amongst other things, to a reduction in a provision for HR-related risks and the reassessment of the probability that a tax obligation in Asia would occur. The latter fell to a level that allowed the relevant provision to be reversed. In the previous year, the main factor influencing income from the reversal of provisions was a change in the estimated settlement payment obligations assumed in the context of the restructuring measures in the USA.

Miscellaneous other operating income includes a large number of smaller individual items.

6 Depreciation, amortisation and impairment losses

€m	H1 2014	H1 2015
Depreciation, amortisation and impairment losses	736	645

Depreciation, amortisation and impairment losses decreased by €91 million as no impairment losses were incurred in the first half of the year, and the useful lives of some non-current assets in the PeP segment were extended, which reduced this expense item. Currency effects resulted in an increase in depreciation, amortisation and impairment losses.

In the prior-year period, impairment losses amounted to €105 million; these can be broken down at the segment level as follows:

Impairment losses

€m	H1 2014	H1 2015
Express		
Property, plant and equipment	104	0
Supply Chain		
Property, plant and equipment	1	0
Impairment losses	105	0

The impairment losses recorded in the Express segment related exclusively to aircraft and aircraft parts.

7 Other operating expenses

€m	H1 2014	H1 2015
Expenses for advertising and public relations	155	195
Cost of purchased cleaning and security services	157	179
Travel and training costs	150	170
Insurance costs	129	164
Currency translation expenses	46	143
Warranty expenses, refunds and compensation payments	124	127
Write-downs of current assets	101	126
Telecommunication costs	105	119
Other business taxes	117	115
Consulting costs (including tax advice)	66	97
Office supplies	85	91
Entertainment and corporate hospitality expenses	64	74
Expenses from derivatives	15	72
Services provided by <i>Bundesanstalt für Post und Telekommunikation</i> (German federal post and telecommunications agency)	37	55
Customs clearance-related charges	41	51
Contributions and fees	42	48
Voluntary social benefits	39	42
Legal costs	33	30
Commissions paid	31	30
Monetary transaction costs	19	24
Audit costs	13	16
Losses on disposal of assets	20	15
Donations	11	13
Prior-period operating expenses	6	8
Miscellaneous	190	210
Total	1,796	2,214

The increase in currency translation expenses is primarily due to the change in the exchange rate for the euro.

Miscellaneous other operating expenses include a large number of smaller individual items.

8 Net income from investments accounted for using the equity method

€m	H1 2014	H1 2015
Net income from associates	3	1
Net income from joint ventures	0	0
Net income from investments accounted for using the equity method	3	1

9 Earnings per share

Basic earnings per share in the reporting period were €0.68 (previous year: €0.80).

Basic earnings per share

		H1 2014	H1 2015
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	963	821
Weighted average number of shares outstanding	shares	1,209,343,037	1,210,055,169
Basic earnings per share	€	0.80	0.68

To compute diluted earnings per share, the average number of shares outstanding is adjusted for the number of all potentially dilutive shares. This item includes executives' rights to shares under the share-based payment systems (as at 30 June 2015: 6,234,123 shares) and the maximum number of ordinary shares that can be issued on exercise of the conversion rights under the convertible bond issued on 6 December 2012. Consolidated net profit for the period attributable to Deutsche Post AG shareholders was increased by the amounts spent for the convertible bond.

Diluted earnings per share in the reporting period were €0.65 (previous year: €0.77).

Diluted earnings per share

		H1 2014	H1 2015
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	963	821
Plus interest expense on convertible bond	€m	3	2
Less income taxes	€m	0 ¹	0 ¹
Adjusted consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	966	823
Weighted average number of shares outstanding	shares	1,209,343,037	1,210,055,169
Potentially dilutive shares	shares	52,249,222	53,024,591
Weighted average number of shares for diluted earnings	shares	1,261,592,259	1,263,079,760
Diluted earnings per share	€	0.77	0.65

¹ Rounded below €1 million.

BALANCE SHEET DISCLOSURES

10 Intangible assets and property, plant and equipment

Investments in intangible assets (not including goodwill) and property, plant and equipment amounted to €695 million in the first six months of 2015 (previous year: €511 million).

Investments

€m	30 June 2014	30 June 2015
Intangible assets (not including goodwill)	116	120
Property, plant and equipment		
Land and buildings (incl. leasehold improvements)	29	32
Technical equipment and machinery	27	33
Transport equipment	60	38
Aircraft	15	19
IT equipment	27	53
Operating and office equipment	21	33
Advance payments and assets under development	216	367
	395	575
Total	511	695

Goodwill changed as follows in the reporting period:

Change in goodwill

	2014	2015
Cost		
Balance at 1 January	11,770	12,247
Additions from business combinations	2	0
Disposals	-2	0
Currency translation differences	477	472
Balance at 31 December/30 June	12,247	12,719
Depreciation, amortisation and impairment losses		
Balance at 1 January	1,097	1,138
Disposals	0	0
Currency translation differences	41	40
Balance at 31 December/30 June	1,138	1,178
Carrying amount at 31 December/30 June	11,109	11,541

11 Investments accounted for using the equity method

Investments accounted for using the equity method changed as follows:

€m	Associates		Joint ventures		Total	
	2014	2015	2014	2015	2014	2015
Balance at 1 January	62	69	6	6	68	75
Disposals	-2	0	0	0	-2	0
Changes in Group's share of equity						
Changes recognised in profit or loss	5	1	0	0	5	1
Profit distributions	0	-1	0	0	0	-1
Changes recognised in other comprehensive income	4	2	0	0	4	2
Carrying amount at 31 December/30 June	69	71	6	6	75	77

12 Assets held for sale and liabilities associated with assets held for sale

The amounts reported under this balance sheet item mainly relate to the following:

€m	Assets		Liabilities	
	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015
DHL Supply Chain Limited, UK – real estate (Supply Chain segment)	0	7	0	0
Exel Inc., USA – real estate (Supply Chain segment)	4	5	0	0
DHL Aviation (Netherlands) B.V., Netherlands – aircraft (Express segment)	0	0	0	0
Assets held for sale and liabilities associated with assets held for sale	4	12	0	0

King's Cross

The sale of the shares of King's Cross Central Property Trust and King's Cross Central General Partner Ltd., UK, held by the Supply Chain division, was legally completed in April 2015. The shares had been classified as held for sale as at 31 March 2015.

DHL Supply Chain Limited

The company plans to sell properties under a sale and leaseback transaction. The most recent measurement prior to reclassification did not indicate any impairment.

Exel Inc.

The company plans to sell properties. The most recent measurement prior to reclassification in financial year 2014 did not indicate any impairment.

DHL Aviation (Netherlands) B.V.

As part of early fleet renewal activities, DHL Aviation (Netherlands) B.V. plans to reduce its legacy aircraft fleet by eleven aircraft. The most recent measurement prior to reclassification led to an impairment loss of €102 million in financial year 2014.

In the period between the balance sheet date and the preparation of the consolidated interim financial statements by the Board of Management, the requirements for classifying an asset as held for sale in accordance with IFRS 5 were met for the German company IntelliAd Media GmbH, Munich, which is part of the PeP division.

13 Issued capital and purchase of treasury shares

KfW Bankengruppe (KfW) held a 21% interest in the share capital of Deutsche Post AG as at 30 June 2015. The remaining 79% of the shares are in free float. KfW holds the shares in trust for the Federal Republic of Germany.

Issued capital

€	2014	2015
Balance at 1 January	1,209,015,874	1,209,672,789
Addition due to capital increases	2,164,388	0
Addition due to contingent capital increase (convertible bond)	0	4,832
Treasury shares acquired	-3,158,717	-1,044,990
Treasury shares issued	1,651,244	2,552,463
Balance at 31 December/30 June	1,209,672,789	1,211,185,094

The issued capital is composed of 1,211,185,094 no-par value registered shares (ordinary shares) with a notional interest in the share capital of €1.00 per share, and is fully paid up.

At the beginning of April 2015, 4,832 new shares were created as a result of conversion rights under the convertible bond 2012 being exercised and were transferred to the bond creditors.

Deutsche Post AG acquired treasury shares in the amount of €31 million at an average purchase price of €29.42 per share in order to settle the 2014 tranche of the Share Matching Scheme.

The company increased its share capital in 2014 to settle claims to matching shares under the 2010 tranche.

The treasury shares were issued to the executives concerned in April 2015.

In addition, a further 7,155 shares were acquired at a price of €26.86 to settle claims to matching shares and issued to persons who have since left the Group.

Deutsche Post AG held no treasury shares as at 30 June 2015.

14 Capital reserves

An amount of €35 million was added to the capital reserves in the period up to 30 June 2015. Of this amount, €31 million was attributable to the Share Matching Scheme and €4 million to the Performance Share Plan.

Capital reserves

€m	2014	2015
Capital reserves at 1 January	2,269	2,339
Addition/issue of rights under Share Matching Scheme		
2009 tranche	1	0
2010 tranche	4	1
2011 tranche	4	2
2012 tranche	4	2
2013 tranche	21	2
2014 tranche	10	24
Total additions	44	31
Exercise of rights under Share Matching Scheme		
2009 tranche – matching shares	-8	0
2010 tranche – matching shares	0	-20
2013 tranche – investment and incentive shares	-23	0
2014 tranche – investment and incentive shares	0	-28
Total exercised	-31	-48
Total for Share Matching Scheme	13	-17
Addition/issue of rights under Performance Share Plan		
2014 tranche	3	4
Capital increases	54	0
Capital reserves at 31 December/30 June	2,339	2,326

The exercise of the rights to shares under the 2010 and 2014 tranches reduced the capital reserves by €48 million (as at 31 December 2014: €31 million) due to the issuance of treasury shares in this amount to the executives.

15 Retained earnings

Changes in retained earnings are presented in the statement of changes in equity.

Retained earnings

€m	2014	2015
Retained earnings at 1 January	7,183	6,168
Dividend payment	-968	-1,030
Consolidated net profit for the period	2,071	821
Change due to remeasurements of net pension provisions	-2,061	974
Transactions with non-controlling interests	-6	1
Miscellaneous other changes	-51	16
Retained earnings at 31 December/30 June	6,168	6,950

The dividend payment to Deutsche Post AG shareholders of €1,030 million was made in May 2015. This corresponded to a dividend of €0.85 per share.

SEGMENT REPORTING

16 Segment reporting

Segments by division

€m	PeP		Express		Global Forwarding, Freight		Supply Chain		Corporate Center/ Other		Consolidation ¹		Group	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
1 Jan. to 30 June	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
External revenue	7,534	7,743	5,787	6,512	6,822	7,230	7,082	7,938	39	44	0	0	27,264	29,467
Internal revenue	68	70	181	183	339	337	42	49	579	583	-1,209	-1,222	0	0
Total revenue	7,602	7,813	5,968	6,695	7,161	7,567	7,124	7,987	618	627	-1,209	-1,222	27,264	29,467
Profit/loss from operating activities (EBIT) ²	585	474	607	708	151	57	194	172	-154	-153	0	-1	1,383	1,257
of which net income from investments accounted for using the equity method	0	0	0	0	2	0	1	1	0	0	0	0	3	1
Segment assets ³	5,384	5,642	8,644	8,893	8,488	8,744	6,401	7,037	1,630	1,626	-200	-191	30,347	31,751
of which investments accounted for using the equity method ³	6	6	43	45	24	24	2	3	0	0	0	-1	75	77
Segment liabilities ^{3,4}	2,611	2,728	2,985	2,726	3,188	3,044	3,132	3,203	1,007	917	-166	-154	12,757	12,464
Capex	100	191	124	229	82	74	127	136	78	64	0	1	511	695
Depreciation and amortisation	177	154	178	185	43	44	127	149	106	114	0	-1	631	645
Impairment losses	0	0	104	0	0	0	1	0	0	0	0	0	105	0
Total depreciation, amortisation and impairment losses	177	154	282	185	43	44	128	149	106	114	0	-1	736	645
Other non-cash expenses	93	106	94	71	42	80	41	92	40	19	0	0	310	368
Employees ⁵	164,582	166,191	73,009	77,569	44,311	45,030	146,400	146,222	12,507	10,698	0	0	440,809	445,710
Q2														
External revenue	3,609	3,677	2,999	3,366	3,471	3,615	3,597	4,019	19	23	0	0	13,695	14,700
Internal revenue	33	35	90	89	167	163	21	26	295	292	-606	-605	0	0
Total revenue	3,642	3,712	3,089	3,455	3,638	3,778	3,618	4,045	314	315	-606	-605	13,695	14,700
Profit/loss from operating activities (EBIT) ²	189	75	331	376	102	40	109	119	-74	-72	-1	-1	656	537
of which net income from investments accounted for using the equity method	0	0	0	0	2	0	0	1	0	0	0	0	2	1
Capex	62	127	85	154	60	34	62	63	66	42	0	1	335	421
Depreciation and amortisation	84	78	89	94	21	21	63	76	53	57	0	0	310	326
Impairment losses	0	0	104	0	0	0	1	0	0	0	0	0	105	0
Total depreciation, amortisation and impairment losses	84	78	193	94	21	21	64	76	53	57	0	0	415	326
Other non-cash expenses	46	50	51	43	21	66	20	63	16	6	0	-2	154	226

¹ Including rounding.

² Note 4.

³ As at 31 December 2014 and 30 June 2015.

⁴ Including non-interest-bearing provisions.

⁵ Average FTEs; prior-period amount corresponds to that of financial year 2014.

Information about geographical areas

€m	Germany		Europe (excluding Germany)		Americas		Asia Pacific		Other regions		Group	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
1 Jan. to 30 June												
External revenue	8,422	8,498	8,954	9,609	4,537	5,134	4,264	5,026	1,087	1,200	27,264	29,467
Non-current assets ¹	5,532	5,461	6,915	7,091	3,515	3,702	3,289	3,499	373	388	19,624	20,141
Capex	283	346	106	141	71	109	33	80	18	19	511	695
Q2												
External revenue	4,058	4,051	4,542	4,899	2,320	2,597	2,218	2,553	557	600	13,695	14,700
Capex	207	217	58	96	38	48	21	49	11	11	335	421

¹ As at 31 December 2014 and 30 June 2015.

Segment reporting disclosures

Deutsche Post DHL Group reports four operating segments; these are managed independently by the responsible segment management bodies in line with the products and services offered and the brands, distribution channels and customer profiles involved. Components of the entity are defined as a segment on the basis of the existence of segment managers with bottom-line responsibility who report directly to Deutsche Post DHL Group's top management.

As part of the central management of currency risk, fluctuations between projected and actual exchange rates are fully or partially absorbed centrally by Corporate Treasury on the basis of division-specific agreements.

The Consolidation and Corporate Center/Other columns are reported separately. Corporate Center/Other comprises the activities of Global Business Services (GBS), the Corporate Center, non-operating activities and other business activities. The profit/loss generated by GBS is allocated to the operating segments, whilst its assets and liabilities remain with GBS (asymmetrical allocation).

The profitability of the Group's operating divisions is measured as profit from operating activities (EBIT).

The main geographical areas in which the Group is active are Germany, Europe (excluding Germany), the Americas, Asia Pacific and Other regions. External revenue, non-current assets and capital expenditure (capex) are disclosed for these regions.

Revenue, assets and capex are allocated to the individual regions on the basis of the domicile of the reporting entity. Non-current assets primarily comprise intangible assets, property, plant and equipment and other non-current assets.

Share Matching Scheme

	2010 tranche	2011 tranche	2012 tranche	2013 tranche	2014 tranche	
Grant date of incentive shares and associated matching shares	1 Jan. 2010	1 Jan. 2011	1 Jan. 2012	1 Jan. 2013	1 Jan. 2014	
Grant date of matching shares awarded for investment shares	1 April 2011	1 April 2012	1 April 2013	1 April 2014	1 April 2015	
Term	months	63	63	63	63	
End of term	March 2015	March 2016	March 2017	March 2018	March 2019	
Share price at grant date (fair value)						
Incentive shares and associated matching shares	€	13.98	12.90	12.13	17.02	25.91
Matching shares awarded for investment shares	€	12.91	14.83	18.22	27.18	29.12

Reconciliation

€m	H1 2014 adjusted ¹	H1 2015
Total income of reportable segments	1,537	1,411
Corporate Center/Other	-154	-153
Reconciliation to Group/Consolidation	0	-1
Profit from operating activities (EBIT)	1,383	1,257
Net finance costs	-177	-165
Profit before income taxes	1,206	1,092
Income taxes	-193	-180
Consolidated net profit for the period	1,013	912

¹ Note 4.

OTHER DISCLOSURES

17 Share-based payment

17.1 Share Matching Scheme

Under the share-based payment system for executives (Share Matching Scheme), certain executives receive part of their variable remuneration in the form of shares of Deutsche Post AG. More detailed information on this payment system is contained in the 2014 Annual Report, Note 54. The Board of Management will decide in the fourth quarter of 2015 on whether the Share Matching Scheme will be offered in 2016.

The claims to the matching shares under the 2010 tranche were settled in April 2015. In financial year 2014, the Group increased its share capital for this purpose. It also acquired treasury shares in the first half of 2015 in preparation for settling the 2014 tranche (investment and incentive shares). A total of 2.5 million treasury shares was issued to the executives concerned to settle the two tranches.

17.2 Performance Share Plan

The Annual General Meeting on 27 May 2014 resolved to introduce the Performance Share Plan (PSP) for executives. This plan replaces the share-based payment system (SAR Plan) for selected executives that existed until 2014. Under the PSP, shares are issued to participants at the end of the waiting period. More detailed information on this payment system is contained in the [2014 Annual Report](#), Note 54.

Performance Share Plan

		2014 tranche
Grant date		1 Sept. 2014
Term	months	48
End of term		31 Aug. 2018

17.3 SAR (Stock Appreciation Rights) Plan

From July 2006 to August 2013, selected executives received annual tranches of SARs under the SAR Plan. SARs have not been issued to executives since 2014. All earlier tranches issued under the old

SAR Plan remain valid. The Long-Term Incentive Plan (LTIP 2006) for Board of Management members continues to apply. The SAR provisions amounted to €289 million as at 30 June 2015 (31 December 2014: €271 million).

18 Cash flow statement

Interest rate swaps for Deutsche Post AG and Deutsche Post Finance B.V. bonds were unwound in the first quarter of 2015; this led to a cash inflow. Under IAS 7.16, these inflows are treated in the same way as the underlying hedged transaction. As a result, positive interest payments of €12 million were recognised in the first six months of 2015.

Eight properties were contributed to Deutsche Post Pensions-Treuhand GmbH & Co. KG in the first six months of 2015. Although income was recognised as a result of the contribution, no cash or cash equivalents were received. In accordance with IAS 7.43 and 7.44, they are therefore not included in the cash flow statement.

19 Disclosures on financial instruments

The following table presents financial instruments recognised at fair value and financial instruments whose fair value is required to be disclosed, both presented by the level in the fair value hierarchy to which they are assigned.

The simplification option under IFRS 7.29a was exercised for cash and cash equivalents, trade receivables, other assets, trade payables and other liabilities with predominantly short maturities. Their carrying amounts as at the reporting date are approximately equivalent to their fair values. Not included are financial investments in equity instruments for which there is no quoted price in an active market and which therefore have to be measured at cost.

Financial assets and liabilities

€m				
Class	Level 1 ¹	Level 2 ²	Level 3 ³	Total
30 June 2015				
Financial assets				
Non-current financial assets	156	948	78	1,182
Current financial assets	21	117	0	138
Total	177	1,065	78	1,320
Financial liabilities				
Non-current liabilities	4,874	440	0	5,314
Current liabilities	0	136	0	136
Total	4,874	576	0	5,450
31 Dec. 2014				
Financial assets				
Non-current financial assets	246	961	132	1,339
Current financial assets	208	75	0	283
Total	454	1,036	132	1,622
Financial liabilities				
Non-current liabilities	5,004	409	0	5,413
Current liabilities	0	132	1	133
Total	5,004	541	1	5,546

¹ Quoted prices for identical instruments in active markets.

² Inputs other than quoted market prices that are directly or indirectly observable for instruments.

³ Inputs not based on observable market data.

Level 1 mainly comprises equity instruments measured at fair value and debt instruments measured at amortised cost.

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

Level 3 mainly comprises the fair values of equity investments and derivatives associated with M&A transactions. These options are measured using recognised valuation models, taking plausible assumptions into account. The fair values of the derivatives depend largely on financial ratios. Financial ratios strongly influence the fair values of assets and liabilities. Increasing financial ratios lead to higher fair values, whilst decreasing financial ratios result in lower fair values.

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

The table below shows the effect on net gains and losses of the financial instruments categorised within Level 3 as at 30 June 2015:

Unobservable inputs (Level 3)

€m	2014			2015		
	Assets		Liabilities	Assets		Liabilities
	Equity instruments	Debt instruments	Derivatives, of which equity derivatives	Equity instruments	Debt instruments	Derivatives, of which equity derivatives
Balance at 1 January	93	0	2	132	0	1
Gains and losses (recognised in profit and loss) ¹	0	0	-1	0	0	-1
Gains and losses (recognised in OCI) ²	45	0	0	30	0	0
Additions	0	0	0	0	0	0
Disposals	-14	0	0	-95	0	0
Currency translation effects	8	0	0	11	0	0
Balance at 31 December/30 June	132	0	1	78	0	0

¹ Fair value losses were recognised in finance costs, fair value gains in financial income.

² Unrealised gains and losses were recognised in the IAS 39 revaluation reserve.

Available-for-sale financial assets include shares in partnerships and corporations in the amount of €11 million (31 December 2014: €24 million) for which there is no active market. As no future cash flows can be reliably determined, the fair values cannot be determined using valuation techniques. There are no plans to sell or derecognise significant shares classified as available-for-sale financial assets recognised as at 30 June 2015 in the near future. As in the previous year, no significant shares in partnerships and corporations that are measured at cost have been sold in the current financial year.

The following tables show the impact of netting agreements based on master netting arrangements or similar agreements on the presentation of financial assets and financial liabilities as at the reporting date:

Offsetting – assets

€m	Gross amount of financial assets recognised at the reporting date		Net amount of financial assets set off in the balance sheet	Financial assets and liabilities not set off in the balance sheet		Total
	Gross amount of financial liabilities set off	Financial liabilities subject to a legally enforceable netting agreement that do not meet offsetting criteria		Collateral received		
Assets at 30 June 2015						
Derivative financial assets ¹	122	0	122	122	0	0
Trade receivables	8,202	170	8,032	0	0	8,032
Assets at 31 December 2014						
Trade receivables ¹	153	0	153	145	0	8
Trade receivables	7,954	129	7,825	0	0	7,825

¹ Excluding derivatives from M&A transactions.

Offsetting – liabilities

€m	Gross amount of financial liabilities recognised at the reporting date		Net amount of financial liabilities set off in the balance sheet	Financial assets and liabilities not set off in the balance sheet		Total
	Gross amount of financial assets set off	Financial assets subject to a legally enforceable netting agreement that do not meet offsetting criteria		Collateral provided		
Liabilities at 30 June 2015						
Derivative financial liabilities ¹	150	0	150	122	0	28
Trade payables	6,649	170	6,479	0	0	6,479
Liabilities at 31 December 2014						
Derivative financial liabilities ¹	145	0	145	145	0	0
Trade payables	7,051	129	6,922	0	0	6,922

¹ Excluding derivatives from M&A transactions.

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

To hedge cash flow and fair value risks, Deutsche Post AG enters into financial derivative transactions with a large number of financial services institutions. These contracts are subject to a standardised master agreement for financial derivative transactions. This agreement provides for a conditional right of set-off, resulting in the recognition of the gross amount of the financial derivative transactions at the reporting date. The conditional right of set-off is presented in the table.

Settlement processes arising from services related to postal deliveries are subject to the Universal Postal Convention and the REIMS Agreement. These agreements, particularly the settlement conditions, are binding on all public postal operators for the specified contractual arrangements. Imports and exports between two parties to the agreement during a calendar year are offset in an annual statement of account and presented on a net basis in the final annual statement. Receivables and payables covered by the Universal Postal Convention and the REIMS Agreement are presented on a net basis at the reporting date. The tables show the receivables and payables before and after offsetting.

20 Contingent liabilities and other financial obligations

The Group's contingent liabilities have not changed significantly compared with 31 December 2014. The other financial obligations increased due to currency translation effects and to new leases signed, amongst other factors.

21 Related party disclosures

On 27 April 2015, Roger Crook stepped down from the Board of Management. Until the appointment of a new board member for the Global Forwarding, Freight division, Deutsche Post DHL Group's CEO, Dr Frank Appel, has taken over the corresponding tasks in a dual role. There were no other significant changes in related party disclosures as against 31 December 2014.

22 Other disclosures/events after the reporting date

The amendment to the *Post-Entgeltregulierungsverordnung* (PEntgV – German Regulation Governing the Regulation of Postal Rates) came into force on 6 June 2015. This specifies that, in future postal rate regulation procedures, Deutsche Post AG must be permitted an appropriate profit margin oriented on the returns on sales generated by European postal operators. Consequently, on 8 June 2015, Deutsche Post AG applied to the *Bundesnetzagentur* (BNetzA – the German federal network agency) to reopen the 2013 procedure for defining rate regulation benchmarks, with the aim of increasing the current leeway for setting prices (inflation rate minus 0.2%) for individual letter mailings and (domestic and export) special services. On 15 June 2015, the BNetzA resolved, on the basis of Deutsche Post AG's application, to reopen the procedure which could result in Deutsche Post AG having greater leeway to set prices than was previously the case. A decision by the BNetzA is not expected before the end of September 2015.

At the beginning of July 2015, Deutsche Post AG and the trade union ver.di arrived at a comprehensive collective agreement. Amongst other things, the overall package that has been agreed comprises protection against redundancy and dismissal with the option of altered conditions of employment for operational reasons until the end of 2019. Mail deliveries and combined mail and parcel deliveries are guaranteed to remain at Deutsche Post AG until the end of 2018. Employees will receive a one-time payment of €400 in October 2015. A further pay rise of 2.0% will be made in 2016 and of 1.7% in 2017. The DHL Delivery companies will remain a part of the Post - eCommerce - Parcel division.

On 5 November 2012, the *Bundeskartellamt* (German federal cartel office) initiated proceedings against Deutsche Post AG on suspicion of abusive behaviour with respect to agreements on mail transport with major customers. Based on information from Deutsche Post AG's competitors, the authorities suspected that the company had violated the provisions of German and European antitrust law. In a decree dated 6 July 2015, the *Bundeskartellamt* determined that such violations had indeed taken place, but also that Deutsche Post had discontinued them at the end of 2013. No fine was imposed. The company is considering whether to appeal to the Higher Regional Court in Düsseldorf.

RESPONSIBILITY STATEMENT

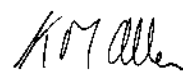
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with German accepted accounting principles, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, 5 August 2015

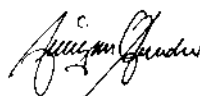
Deutsche Post AG
The Board of Management



Dr Frank Appel



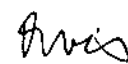
Ken Allen




Jürgen Gerdes



John Gilbert



Melanie Kreis



Lawrence Rosen

REVIEW REPORT

To Deutsche Post AG

We have reviewed the condensed consolidated interim financial statements – comprising the income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Post AG, Bonn, for the period from 1 January to 30 June 2015, which are part of the half-yearly financial report pursuant to section 37w of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (IDW – Institute of Public Auditors in Germany) and additionally observed the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we

can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 5 August 2015

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	19 MAY 2016 Dividend payment
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	8 NOVEMBER 2016 Interim Report January to September 2016

Further dates, updates as well as information on live webcasts: [dpdhl.com/en/investors](https://www.dpdhl.com/en/investors).

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PUBLICATION SERVICE

Published on 6 August 2015.

The English version of the Interim Report January to June 2015 of Deutsche Post DHL Group constitutes a translation of the original German version. Only the German version is legally binding, insofar as this does not conflict with legal provisions in other countries. Deutsche Post Corporate Language Services et al.

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