



Title and this page: DHL also logistically supports the well-known German fashion designer Michael Michalsky. He has even designed a collection made of packaging materials.

Dear shareholders, dear readers,

In today's age, tailored logistics services are a key to success for companies in many industries. We are proficient in this business and are determined to offer every customer precisely the service they need to be successful. Doing this means facing a wide range of challenges, even within one industry. We illustrate this on the following pages using the example of the fashion industry, a sector in which Deutsche Post DHL is one of the leading international logistics providers.

We are more than aware that our success is reliant on the success of our customers. It is therefore not without pride that I can report that we achieved all of the goals we set ourselves for 2013. What's more, we did so despite the fact that the market recovery hoped for failed to materialise and that we suffered from major negative currency effects.

Deutsche Post DHL increased profit from operating activities in financial year 2013 to €2.86 billion, due to improved margins. Consolidated revenue declined slightly to around €55.1 billion, largely due to negative currency effects. It was particularly pleasing to see that our most important drivers of growth, the parcel business and the international express business, remain intact.

The dynamic parcel business in Germany, for instance, contributed to the positive business development in the MAIL division. International business performance in the DHL divisions was largely impeded by negative currency effects. Although revenue was lower, we were still able to increase earnings in the EXPRESS and SUPPLY CHAIN divisions through strict cost management. The freight forwarding business, however, declined in an appreciably weakened market. In addition, EBIT in the GLOBAL FORWARDING, FREIGHT division included expenses for the New Forwarding Environment strategic project, with which we have already made good progress.

For the first time, we set ambitious cash flow targets for 2013 and we have clearly achieved them. After reporting a cash outflow in the prior year, operating cash flow has now improved to €2.99 billion. Furthermore, the Group's good financial position is also demonstrated by the favourable refinancing conditions we were offered on the capital market. For instance, in the reporting year we renewed a long-term credit facility early and at more favourable terms; we also issued two bonds with a total volume of €1 billion.

For my part, achieving our ambitious cash flow target is also a good example of what our employees are able to accomplish when they concentrate on our most important objectives – objectives as set out in our medium-term Group strategy. Since 2009, our “Strategy 2015” has been the framework for our endeavours to become the provider, employer and investment of choice.

With a network that spans the globe and outstanding market positions in the world’s growth markets, we are a strong and reliable partner for our customers. We invest continually in the expansion of our infrastructure as well as our products and services.

As we move towards the goal of becoming employer of choice, we measure our progress using an annual Group-wide employee opinion survey. The results indicate high approval for our key performance indicators.

In addition to solid financial results, I am especially pleased that our performance is also reflected in the growing confidence shown to us by the capital market. Our share price outperformed the DAX for the third consecutive year and in May we shall propose to the Annual General Meeting that the dividend we pay to you be raised to €0.80 per share. This represents a payout of around 49% of adjusted net profits.

In the current financial year, we expect slight economic expansion at best. The global trading volumes relevant to our business are expected to perform similarly and impact our revenue accordingly, particularly in the DHL divisions. Against this backdrop, we expect consolidated EBIT to reach between €2.9 billion and €3.1 billion in financial year 2014. The MAIL division is likely to contribute around €1.2 billion to this. Compared with the previous year, we expect an additional improvement in overall earnings to between €2.1 billion and €2.3 billion in the DHL divisions. Operating cash flow is expected to see further positive development in line with the respective EBIT trend.

Furthermore, we remain confident that we shall achieve the objectives we have set for ourselves in “Strategy 2015”. Overall, we continue to anticipate an increase in consolidated EBIT to between €3.35 billion and €3.55 billion in 2015. The MAIL division is likely to contribute at least €1.1 billion, whilst the DHL divisions are expected to contribute between €2.6 billion and €2.8 billion. We have adjusted the anticipated earnings contributions following the consolidation of parts of the domestic parcel business outside Germany within the MAIL division at the beginning of 2014.

Fashion is not the only industry in which today's end customers decide spontaneously to make purchases in store, from a catalogue, at their computer or on their smartphone. E-commerce and the B2C business associated with it will continue to boost our parcel business and open up many possibilities even beyond the 2015 strategic perspective.

Yours faithfully,


DR FRANK APPEL
CHIEF EXECUTIVE OFFICER

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