

Corporate Strategy

Pressing ahead with corporate integration

In recent years, Deutsche Post World Net has taken to heart its customers' desire for globalization, a wider product range and value-added services, fulfilling this demand by implementing a strategy of targeted acquisitions, both in Europe and worldwide. This has enabled us to create a global platform for the services we provide. As part of our long-term corporate strategy, we are now concentrating on leveraging the full potential to be gained from close cooperation between all our corporate divisions. We will

- make the most of our customer base by offering our customers products and services across all divisions (cross-selling),
- realize new business potential by developing innovative services for our customers and presenting ourselves as *the* single point of contact for all logistics issues (one-stop shopping),
- realize synergies through the combination of services and service functions across divisions,
- enter into new partnerships, make targeted acquisitions and further develop our service portfolio as appropriate.

Using cross-selling to leverage our customer base

Deutsche Post World Net has more than 5 million business customers worldwide: 100,000 in the LOGISTICS Corporate Division, 260,000 in EXPRESS, 3.3 million in the MAIL Corporate Division and more than 380,000 business customers in FINANCIAL SERVICES. In addition, DHL will bring another million business customers. Taken together, this represents an enormous customer base which can be leveraged to generate new business.

We are now creating processes and structures within the Group which will support the exchange of information across divisions and accelerate cooperation throughout the whole Group. This will allow the customer base of one corporate division to be utilized by the other divisions. The good customer relationships in the divisions, built up over years, are an ideal starting point for this. All corporate divisions will benefit from the growth potential offered by this cross-selling approach.

Growth through one-stop shopping

Integration of our four corporate divisions was our strategic focal point for the year. More and more, we are transcending national and inter-divisional boundaries in our day-to-day cooperation – with outstanding results. Equally, though, our customers are also demanding integration. In this area, we see great business potential which can only be realized by ensuring a wide range of services and intensive cooperation between our corporate divisions.

We offer our customers improved quality, a flexible service range, simplified processes and, as a result, significant cost savings.

This Annual Report features a number of projects illustrating this strategy, detailed descriptions of which can be found in the introductions to the reports on our corporate divisions. They show that by offering a complete single-source logistics package – one-stop shopping – growth can be generated for the Group.

Realizing synergies through combined services and service functions

Close cooperation between all of our corporate divisions allows us to generate new business while making considerable cost savings. Within the Group, we operate a dedicated property management program: office space, warehouses and, where appropriate, sorting infrastructures are used jointly by the different divisions, and transport capacities are being optimized worldwide.

One example of this joint use of transportation is Danzas' "Parcel Intercity", a high-speed freight train which not only transports logistics shipments, but also consignments for our domestic parcel service and the MAIL Corporate Division. Cooperation between Express Germany and DHL has also increased. Consignments are collected by DHL domestically, enter our domestic parcel distribution network and are delivered to the recipient in Germany at the date and time agreed.

In addition, we have been able to realize synergies by combining and optimizing service functions: in Personnel, for example, workflow restructuring in areas such as health management has led to a considerable increase in process efficiency.

As part of Group-wide liquidity management, external bank liabilities and receivables have been eliminated and replaced by a system of internal Group financing. This is achieved, for example, by granting loans and creating local cash pools. During the year under review, the eurozone countries and the Nordic and Baltic states were integrated into our Group-wide cash management system.

Developing the service portfolio

More than anything, it is the targeted acquisitions made in recent years which have helped us on our way to becoming a global leader in the field of logistics. During the year under review we again expanded our service portfolio:

- We enhanced the efficiency and global presence of Danzas through various acquisitions and joint ventures, primarily in South America and Asia.
- The acquisition by the FINANCIAL SERVICES Corporate Division of BHF Holdings Inc. in the USA increased our international expertise in the financing of logistics projects. In addition, we acquired DVB Processing GmbH, thus strengthening Postbank's position as a payments specialist.

One example of our portfolio streamlining is the sale of Deutsche Post Wert Logistik GmbH specializing in the secure transport of high-value goods such as jewelry. On July 1, 2001, Deutsche Post Wert Logistik GmbH was transferred to our UK partner, the Securicor group.

Leveraging new business platforms

