



German federal government stimulus package roll out:

Deutsche Post and DHL pass on VAT reduction to customers

- **Numerous domestic and international products such as Packsets, Plusbriefe and ExpressEasy to become cheaper for private customers**
- **VAT reduction also applies to business-customer products subject to VAT**
- **No change for universal postal services such as standard letter mail and private-customer parcels, which are VAT-exempt by law**
- **Posters in postal retail outlets inform customers of price adjustments**

Bonn, June 30, 2020: Deutsche Post and DHL are to pass on the temporary VAT reduction that forms part of the German government's stimulus package to its customers, whereby value-added tax (VAT) in Germany will be reduced from 19% to 16% for the regular rate and from 7% to 5% for the reduced rate for the period July 1, 2020 to December 31, 2020. The price of numerous domestic and international products and services will fall accordingly, impacting for example postal and parcel products such as Plusbriefe and Packsets as well as the ExpressEasy product for private customers, which is available in selected retail outlets and via DHL's online franking service. The VAT reduction will also apply to business-customer products which are subject to VAT, including letter mail communication, as well as parcel, dialogue marketing and Express products. The reduction in VAT will, however, have no impact on universal postal services such as individual letter mail items and parcels up to 10kg (without additional services). These products are categorized as universal postal services covering basic postal needs and as such are exempt from VAT by law.

Customers will be informed about the temporary price adjustments to postal services via posters in postal retail outlets. However, the most commonly requested products in postal retail outlets are traditional universal postal services – and as such exempt from VAT. These products will not be subject to any change in price. In light of this, customers will not require to purchase top-up stamps following the introduction of the VAT reduction measure as it will not impact postage rates for these products.

Customers who frank their shipments will also remain unaffected by the VAT reduction as transport franking charges via IT franking and franking machine are always processed as a net charge, with VAT invoiced separately.

For further information visit deutschepost.de/vat and dhl.de/vat.

Page 1 of 2



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You can find the press release for download as well as further information on dpdhl.com/pressreleases

Media Contact:

Deutsche Post DHL Group

Media Relations

Alexander Edenhofer

Phone: +49 228 182-9944

E-mail: pressestelle@dpdhl.com

On the Internet: dpdhl.com/press

Follow us at: twitter.com/DeutschePostDHL

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Deutsche Post DHL Group is home to two strong brands: DHL offers a comprehensive range of parcel and international express service, freight transport, and supply chain management services, as well as e-commerce logistics solutions. Deutsche Post is Europe's leading postal and parcel service provider. Deutsche Post DHL Group employs approximately 550,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than 63 billion Euros in 2019.

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