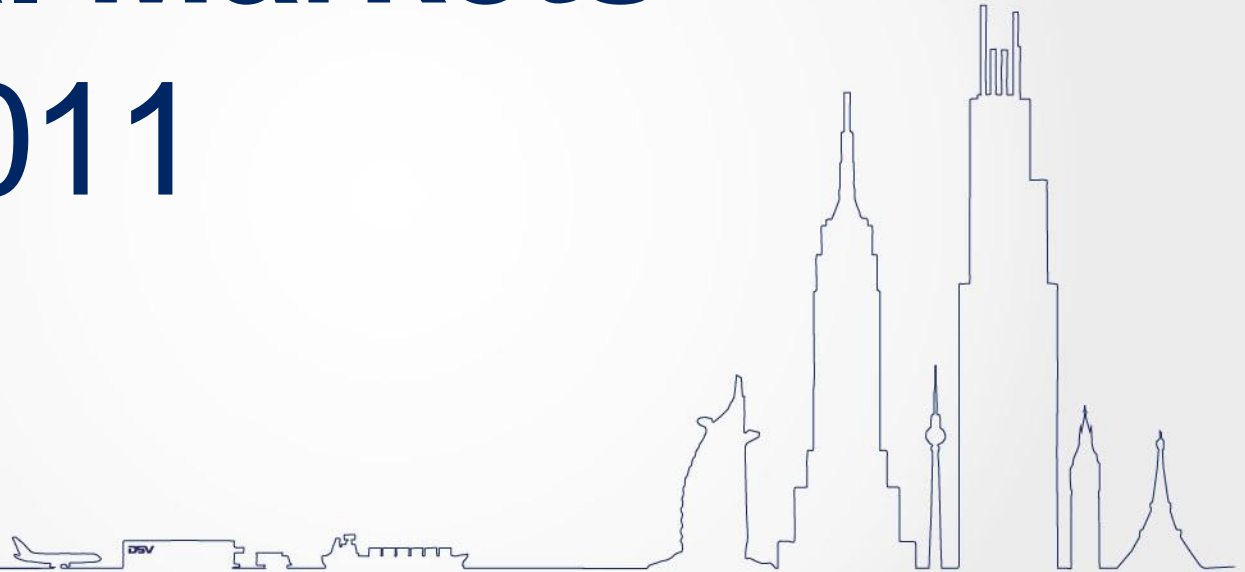


# Capital Markets Day 2011

Meet DSV  
in Action



**DSV Air & Sea Division**  
**Jorgen Moller, President DSV Air & Sea Holding A/S**

Capital Markets Day  
6 September 2011

**DSV**

# Agenda

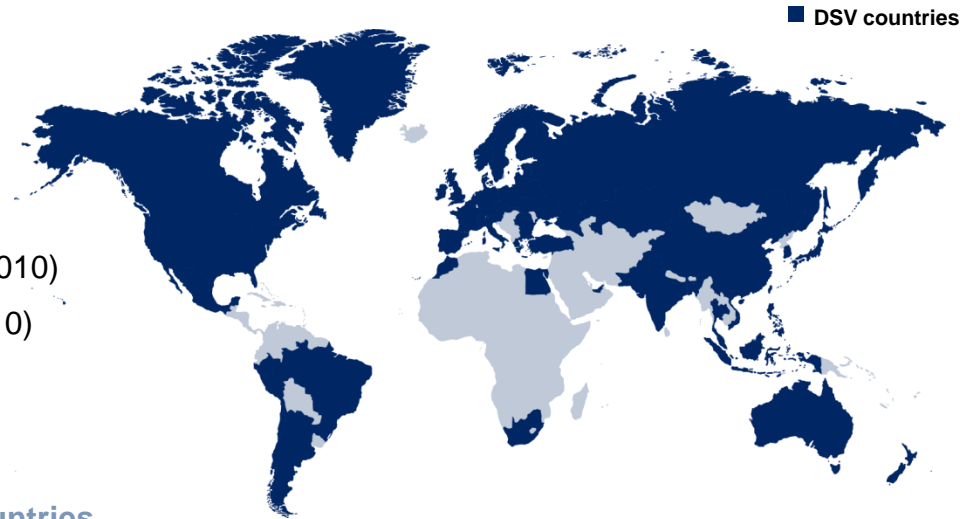
1. DSV Air & Sea - general facts
2. Update on H1 2011
3. Growth relative to market
4. Growth opportunities
5. Capacity agreements with carriers
6. IT strategy for the division
7. Compliance
8. Q&A

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# DSV Air & Sea – general facts

- Worldwide presence
- 6,000 employees
- Own operations in more than 60 countries
- Approx. 710,000 TEUs of seafreight annually (2010)
- Approx. 250,000 tons of airfreight annually (2010)
- Approx. 2.8 million shipments handled annually



## We offer Air & Sea services in the following countries

Argentina	Denmark	Japan	Peru	Switzerland
Australia	Egypt	Kazakhstan	Philippines	Taiwan
Austria	Estonia	Korea	Poland	Thailand
Bangladesh	Finland	Latvia	Portugal	Turkey
Belarus	France	Lithuania	Romania	Ukraine
Belgium	Germany	Luxembourg	Russia	United Arab Emirates
Brazil	Greece	Malaysia	Serbia	United Kingdom
Bulgaria	Hong Kong	Mexico	Singapore	USA
Canada	Hungary	Morocco	Slovakia	Vietnam
Chile	India	Netherlands	Slovenia	
China	Indonesia	New Zealand	South Africa	
Croatia	Ireland	Norway	Spain	
Czech Republic	Italy	Pakistan	Sweden	



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# Update on H1 2011

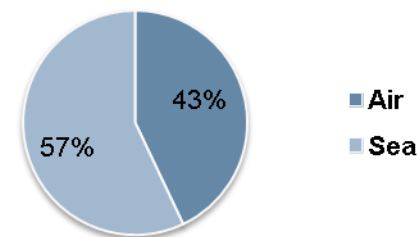
DKKm	H1 2010	H1 2011	Change %
<b>Selected P&amp;L numbers</b>			
Revenue	9,066	9,408	3.8%
Gross profit	1,810	1,985	9.7%
Other external costs	392	411	4.8%
Staff costs, white collar	810	873	7.8%
Depreciations	62	65	4.8%
EBITA	546	636	16.5%
<b>KPIs</b>			
Gross margin	20.0%	21.1%	
EBITA Margin	6.0%	6.8%	
Gross profit conversion ratio	30.2%	32.0%	
Employees - end of quarter	5,731	6,010	4.9%

## Key factors in H1 2011

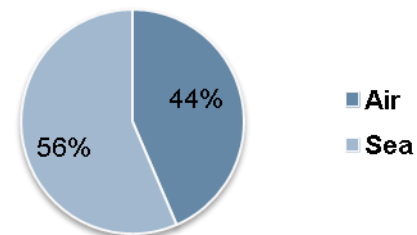
- Growth in volume compared to 2010
- Stable development in profit per unit
- Increase in productivity – improved conversion ratio

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### Revenue H1 2011



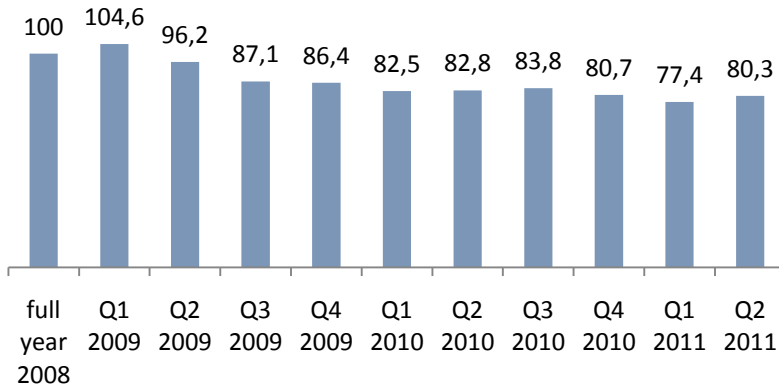
### Gross profit H1 2011



# Update on H1 2011 – Gross profit per unit

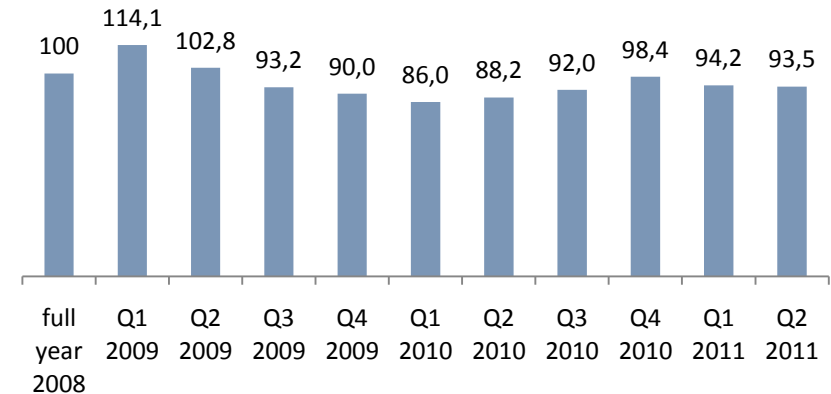
## Air

**Gross profit per ton** (2008 = Index 100)



## Sea

**Gross profit per TEU** (2008 = Index 100)

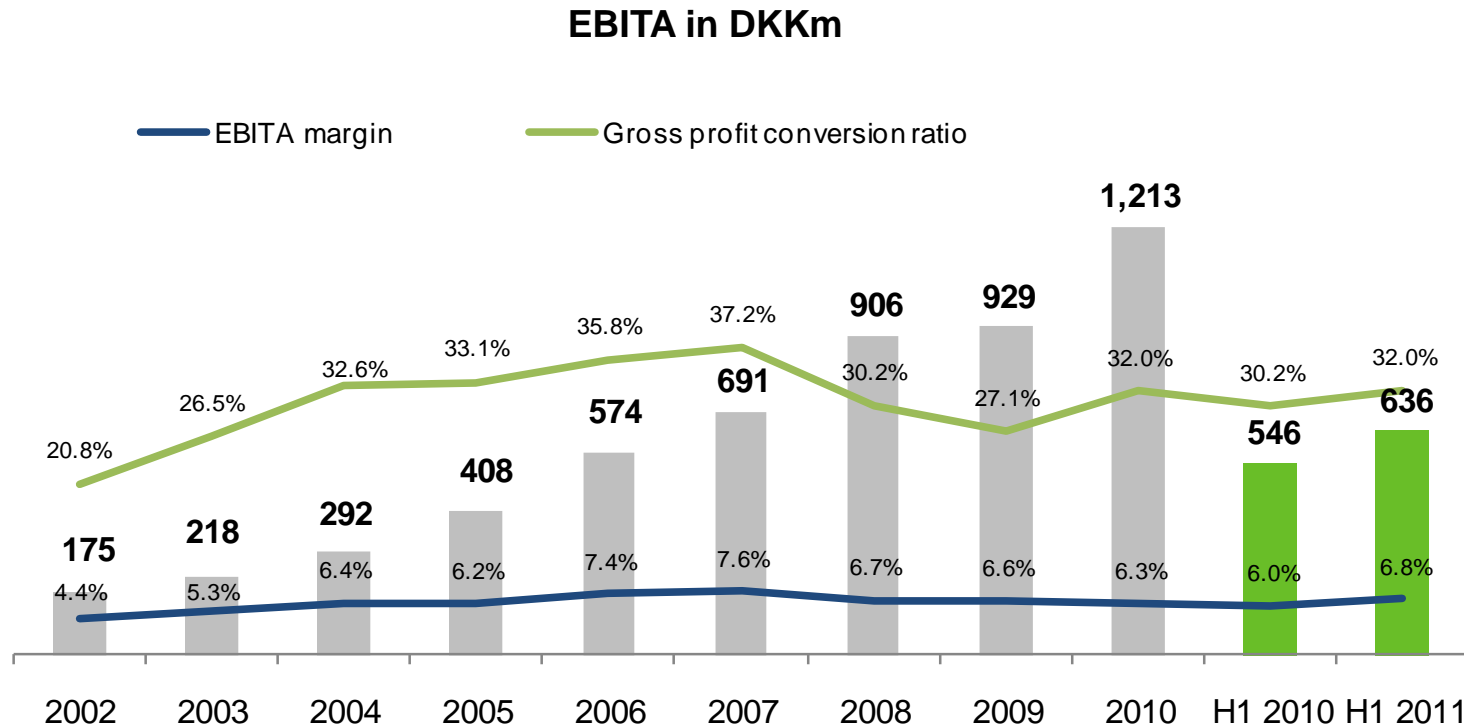


- DSV has been able to maintain a stable GP per unit in 2011

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# Update on H1 2011 – EBITA development 2002-2011



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# Growth relative to market

## Expected market volume growth 2011\*

Global seafreight volume 4-6%

Global airfreight volume 0-2%

It is DSV's target to grow faster than the market.

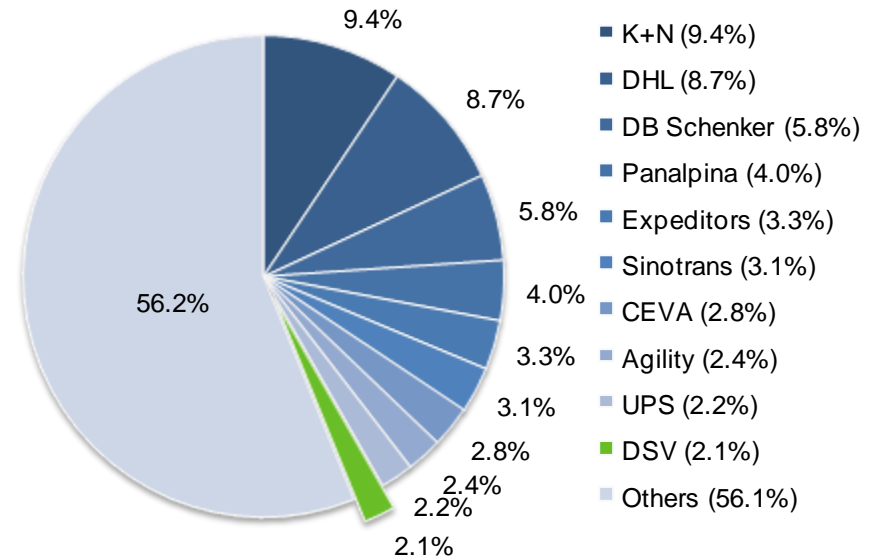
*\*As stated in the H1 2011 interim financial report*

## Opportunities for further growth

DSV Air & Sea generally has a low market share in the countries where we operate. This leaves plenty of opportunities for future growth.

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## Market share 2010 (based on revenue)

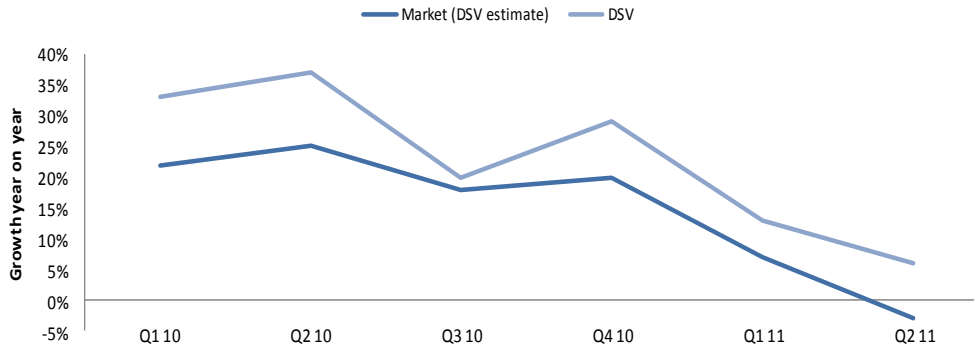


Source: Transport Intelligence



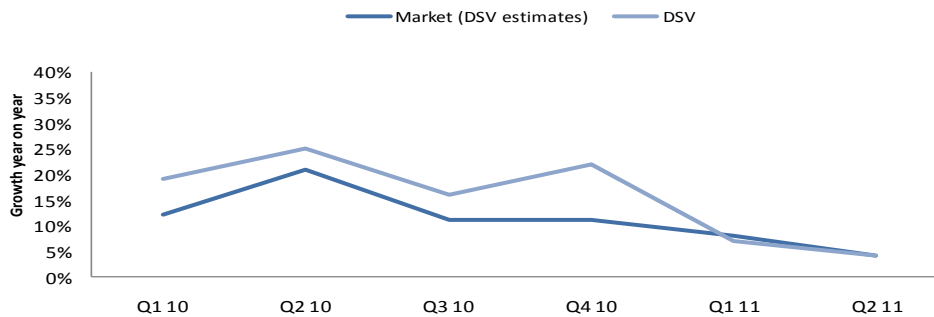
# Growth relative to market

## Airfreight – % growth in tonnes (year on year)



DSV is generally taking market shares

## Seafreight – % growth in TEUs (year on year)



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# Growth opportunities

## Organic growth

- Gain market share through focus on sales
  - Develop existing trade lanes
  - Take part in growth in emerging markets
- We see attractive growth opportunities within Project Logistics

## M&A

- We are open to acquisitions of regional or local players to add volume to and strengthen existing network

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# Growth opportunities – Project logistics

DSV Projects is part of the Air & Sea Division and offers project management, planning and execution of abnormal transports and logistics worldwide. The physical transport operations are outsourced and as such in line with the asset light strategy.

**DSV Projects is divided in the following main segments**



Industrial Projects



Marine Logistics



Oil and Gas



Renewable Energy



Ship Charter



Air Charter



Pack and Ship



Defence and Government Services



Aid and Relief



We see growth opportunities within several areas, e.g. in the industrial segment where Aerospace and Automotive are promising areas.

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# Capacity agreements with carriers

As an asset light freight forwarder, a close and efficient cooperation with carriers is a key part of our business model. DSV cooperates with selected core carriers on both sea and air assignments and aims at developing long-term partnerships with the carriers.

The cooperation with the carriers is based on the following main principles:

## Shipping Lines

- DSV enters into annual volume agreements with a number of core carriers. The volume agreements are based on general rate agreements, which are subject to renegotiation during the period. The carriers should normally announce rate adjustments and surcharges one month before these are implemented.
- In most contracts with larger accounts DSV Air & Sea does not commit to rates for more than three months. It is seen as an advantage for both the customers and DSV to have an exit clause in the contracts. This will ensure that the rates are always market correct. For ocean freight, exceptions to this will normally be backed by a back-to-back agreement with the carriers.

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# Capacity agreements with carriers, continued

## Airlines

- As a general rule, DSV does not undertake volume commitments. In case of expected tight capacity on specific trade lanes DSV will secure a fixed space allotment for part of the controlled volume.
- DSV's pricing structure on airfreight means that airfreight rate fluctuations are normally passed on to customers faster than on seafreight.

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# IT strategy for the division – ediEnterprise

The division is currently rolling out ediEnterprise as global Transport Management System.

## Benefits from ediEnterprise roll out:

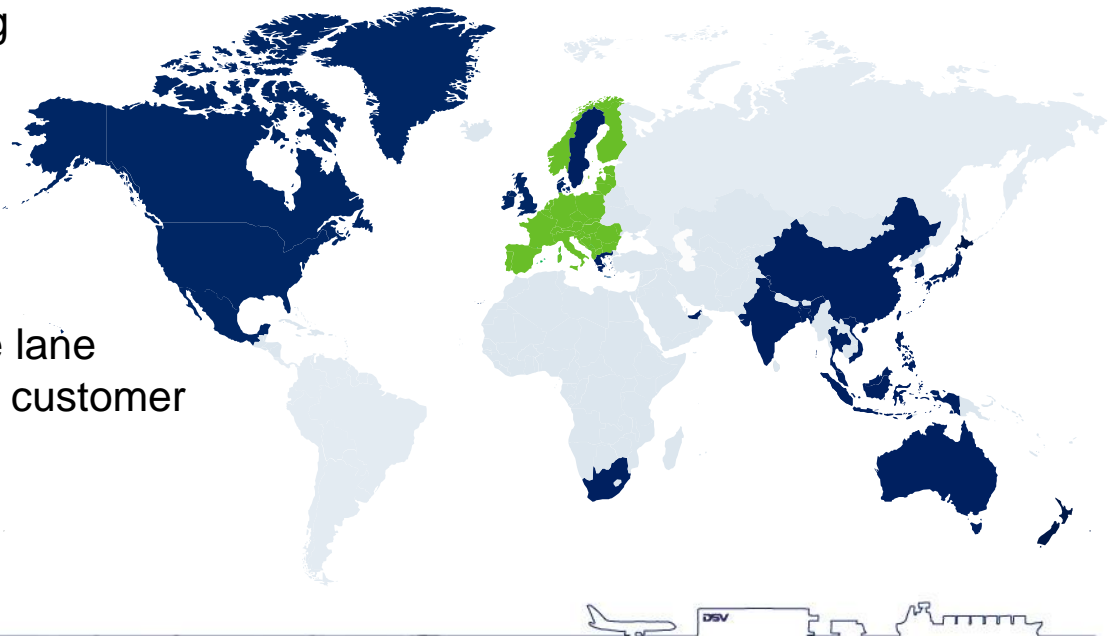
Increase in efficiency and productivity

- improved data quality
- shipment data should only be registered once
- automated rating and billing
- streamlining of procedures and data

Improved KPIs and statistics

- KPI reports to customers
- improved statistics on trade lane development, products and customer profitability etc.
- productivity benchmarking

- Using ediEnterprise today
- Not yet planned
- Roll out 2011-13



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# Compliance and security

- Compliance has an increasing global impact on the industry. It is no longer only a US concern.
- Since 9/11/2001, the cost for compliance and security has been one of the fastest growing expenses within our industry.
- Multinational and multi-agency requirements have created redundancies within the industry. These have been integrated, to the extent possible, within our transport management system (i.e. Denied Party Screening against 100+ International lists).
- Examples of countries with considerable compliance and security concerns affecting global operators:

## EU

- Authorized Economic Operator (AEO)
- Entry Summary Declaration (ENS)
- Import Control System (ICS)
- Dual Use Item Controls
- Denied Party Screening requirements
- etc.
- In addition to the above, the individual EU members have country specific compliance restrictions

## US

- Bureau of Industry and Security (BIS)
- Export Administration Regulations (EAR);
- Census – Federal Trade Regulations (FTR)
- Directorate of Defense Trade Controls (DDTC)
- International Traffic in Arms Regulations (ITAR)
- Customs and Border Protect (CBP) – Import Regulations – Broker and Carrier; Customs Trade Partnership Againsts Terrorism (C-TPAT) and enforcer of numerous agencies' regulations
- Department of Homeland Security (DHS)
- Transportation Security Administration (TSA)
- and many more

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# Q&A



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